The Nation's Business

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THE FINANCIAL POST

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Canadian Industry and National Defense

IN AN effort to call a halt to the scandalous granting of improvident and unbusinesslike contracts by Minister of National Defense Ian Mackenzie, the Prime Minister has appointed a Defense Purchasing Board. The choices for membership on the Board have won general approval in business circles.

But in the wide sphere of matters embracing the relations of industry and defense there are still many matters upon which Canadian business is awaiting an equally clear declaration of policy from the Government.

* * *

THERE is, first of all, the matter of co-operation by Canada with the British Government in the purchase of defense supplies. Canada's appropriations, available for defense buying of weapons, munitions and equipment and supplies are too small to permit purchase of all the items at the most reasonable prices. Nor is it feasible to import them, in many cases, from Great Britain, as that country is fully occupied in supplying her own needs.

There is a way, however, by which Canada can lower the cost of such purchases. That is to encourage and co-operate with Canadian factories in obtaining supplementary orders from the United Kingdom for identical articles. The orders, when pooled, would in many cases represent economic quantities for commercial production.

* * *

UNHAPPILY, Ottawa's attitude on "co-operative" orders is far from clear. Mr. King has been worse than lukewarm in the matter of British munitions orders for Canada. Canadian industrialists, rightly or wrongly, believe that he has been positively obstructive, although he did say in 1936:

"We see no reason why a Canadian firm established for the manufacture of munitions should be precluded from obtaining orders from the British Government."

There was one time when Ottawa helped someone in Canada to get a British order; when the Inglis Company got the Bren business from the War Office as a result of pressure from Hon. Ian Mackenzie's department.

It is reported that at the Imperial Conference held in England in 1936 Mr. King's attitude on the subject of British orders for Canadian plants was distinctly discouraging to the Imperial authorities. And he is on record, in a letter produced before the Bren gun enquiry, as having said that Canadian manufacturers must not expect to obtain any such orders at the instance, directly or indirectly, of the Canadian Government.

How much this indifference of Mr. King has cost Canadian workmen is beyond calculation. But the manufacturers' own estimate of $100 millions is probably an understatement of the facts.

* * *

IT MAY be that Mr. King has changed his mind and is now ready to encourage and aid Canadian manufacturers. He is said to have told a delegation of Canadian manufacturers, who waited upon him the other day, that Ottawa had no objections to manufacturers here soliciting munitions business in Britain. He is reported to have agreed to permit an expert from our own defense department to accompany Canadian manufacturers to Great Britain to discuss technical matters. This may open the door to both individual and supplementary orders.

A delegation from Canadian industry will shortly visit London. They will be welcomed by British authorities, particularly if they can carry any evidence with them that Canada is willing to undertake the rôle of a secondary base for Empire munitions production in the event of a world war.

* * *

Great Britain Should Send "War" Mission

IF BRITAIN is to create in Canadian factories such a secondary base for war supplies, then pilot orders or educational orders for the goods that would later be required must be placed here shortly to give Canadian industry an opportunity to do the necessary tooling up and to train Canadian workers to their new tasks. Valuable months, in fact years, have been lost, chiefly through the indifference and indeed the resistance of Ottawa to co-operation on the part of Canada in the development of the British and Canadian rearmament programmes.

Mr. King could properly go beyond assisting a Canadian industrial delegation to the Old Country. A British munitions mission to Canada is also called for. The Prime Minister should invite such a mission, representing the War Office, the Air Force, the Royal Navy and the Civilian Defense authorities, to come to Canada. Here they could survey our plants and our equipment; consult with Canadian manufacturers; and perhaps set up a British buying commission here similar to the Imperial Munitions Board that functioned so efficiently under the chairmanship of Sir Joseph Flavelle.

* * *

THERE should be no doubt now in the minds of Imperial authorities that urgent supplies could be

(Continued on page 2, col. 4)

Crop Outlook Should Boost Massey Sales

Farm Implement Firm Reports Half Year Drop of 8½%

OUTLOOK BETTER

Massey-Harris Co. reports a decrease of 8½% in sales for the first six months of the year which began Dec. 1, 1938, as compared with the same period last year.

This compares with a gain in sales of 6% reported for the first half of 1938 and an increase of 9.6% for the full year.

Uneasy political and economic conditions throughout the world and the low prices for farm products are cited by the company as the factors retarding farm purchasing power. But not all of the company's markets showed a decrease in sales volume. England, Europe, South Africa and New Zealand, among the export markets served by Massey-Harris, all showed gains in sales over a year ago. Volume has been less, however, in such important markets as Canada, United States, Australia and particularly Argentina where the slow outward movement of wheat, coupled with low cereal prices and a poor corn crop, has seriously affected ability of the farmer to buy.

Bright Spot

Excellent crop prospects in Canada are cited by the company as a "bright spot on the horizon." With prospects "which are better than at any time since 1928," it is expected that improvement in the company's business in the last half of the year will result.

However, the fixed price for wheat, while involving the government in heavy expenditures, is deemed to leave the farmer a net return not very far above subsistence level. Coupled with the very real hardships which have existed in many parts of the West, it is feared a very real lack of purchasing power will prevent the farmers from buying new machinery as freely as they might wish. This is said by Massey-Harris to affect Saskatchewan particularly, as legislation has adversely affected the farmer's credit.

Improved Equipment

The period in review is stated to have resulted in further engineering achievements resulting in introduction of new cost-reducing equipment for the farmer. It is said that "farmers of Canada and other lands are becoming increasingly appreciative of the important strides which have been made by this company in providing equipment which materially decreases the cost of preparing the seed bed, seeding, cultivating, harvesting and threshing."

The official statement concludes by stating that "we are justified in looking forward to the next half-year period with confidence." Experience has shown that a large crop at low prices is of greater benefit to Canada as a whole and consequently to farm implement manufacturers than a small, sparsely distributed crop at high prices. The second half of the year includes the harvest period in both the northern and southern hemispheres and represents the greater sales period.

Bond Redemption

It is understood that Massey-Harris plans to simplify its capital structure by redeeming the remaining $205,000 of 5% first mortgage bonds of J. I. Case Plow Works, Inc. Funds for this purpose would be provided from part of the $2.2 millions loan obtained recently in the United States.

These subsidiary bonds were assumed by Massey-Harris in 1928. Since then the outstanding amount has been reduced from slightly over $1 million to the $205,000 reported remaining at Nov. 30, 1938.

Plans Offered For Dairy Corp.

Bondholders Meeting Next Month — Losses Are Reported Down

To appear shortly as prelude to meetings of bondholders to consider reorganization plans, annual financial statements of Dairy Corp. of Canada for the years ended Mar. 31, 1938 and 1939, will disclose a reduction in losses in the past year, it is officially stated.

Loss of the organization and its subsidiaries in 1939, excluding Canada Dairies Ltd., was $6,139, before debenture interest of $39,516. This compares with a loss of $19,354, before deduction of bond interest of $39,516 in the year ended Mar. 31, 1938.

A meeting of debenture holders has been called for Aug. 15 in Toronto, when reorganization plans will be considered. The company defaulted on its 6% 20-year sinking fund debentures Jan. 1, 1939. For two and a half years prior to that time, debenture interest had been satisfied by payment of class A shares of Dairy Corp. on the basis of one share for each $3 of interest.

Three propositions will be placed before the debenture holders. The first will be the sale of all or any of the assets secured by trust deed. Second will be the sale of Canada Dairies Ltd., Dairy Corp.'s Toronto subsidiary, to John B. Robinson at a

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NATION'S COURTHOUSE

Construction of the $3.3 millions project to house the Supreme Court of Canada is now well under way, and the orange-painted girders of the completed steel framework for the structure form a striking addition to the Ottawa skyline. Erection of the steelwork was recently finished by Canadian Bridge Co., of Walkerville, Ont., Dosco subsidiary, which also fabricated the 2,350 tons required.

Britain and France Present Solid Front Against Attack

Highlights

War resistant powers of Canadian stock markets are stressed in a special survey, by an expert who has been a close analyst of market activity since before the Great War.

War Resistance of Stocks—p. 4.

* * *

Key position of Great Lakes Paper Co. in its effort to buck newsprint prorating regulations is analyzed in the third of the series of articles by R. W. Finlayson.

Great Lakes Fights—p. 14.

* * *

Interest in Kenora as a gold mining area has been renewed by satisfactory inauguration of Kenricia Gold Mines mill. History and prospects of the area are summed up in

Story Behind Kenricia—p. 13.

* * *

Tax burden on Canadian industry is increasingly heavy.

Taxation Cripples—p. 9.

* * *

General Index on p. 2.

Canadian Observer Finds Two Nations Resolutely United to Protect Democracies, But French Civilian Defense Preparations Lagging Seriously

BY HORACE T. HUNTER,
President, The MacLean Publishing Company

PARIS—(By Cable).—This was a particularly interesting week to be in France. It started with the celebrations attendant upon France's great National Holiday—July 14. This year the enthusiasm reached a new peak. First there was the fact that this was the 150th anniversary of the fall of the Bastille, the event that is usually taken to represent the outbreak of the French Revolution. Second, there was the fact that France during the past year has become a united nation as it has not been one since the war.

HORACE T. HUNTER

The crowds in the streets were as impressive for their size as for their enthusiam. They were like the crowds that witnessed the Coronation processions in London. The military review that was staged to mark the day was most impressive and included a large contingent from Britain's defense forces. Overhead flew many airplanes, including giant British bombers.

Enthusiasm for Britain

Everywhere British flags were in evidence. In the newspapers, at theatres and over the wireless waves, cordiality to England was expressed with exuberant enthusiasm.

It was an impressive demonstration to a Canadian observer of the degree to which the British and French people have joined their hands to make common cause against the common enemy of force and aggression; and of the degree to which France relies upon Britain to protect her position and prestige in Europe.

The French people today exhibit the same confidence, the same unity of spirit and purpose, the same philosophic calm in the hours of tension that are being demonstrated in England.

Quiet and Forceful

The significance of this is not to be exaggerated. With the dictatorship countries carrying on a determined "war of nerves" in an effort to make the people of the democratic nations jittery, nervous, haggard and jumpy, the stoical calm that they maintain is evidence that the campaign is utterly failing to achieve its effect. With quiet but forceful deliberation Britain and France are going about the business of making themselves stronger than any potential foe or combination of foes. If war is forced upon them they will be prepared to fight it. But in the meantime they are seeking, by national organization, to ensure that the answer to the present European dilemma shall not be war but peace.

France has for the moment become the next thing to a totalitarian state. The firm hand of Premier Daladier rules with vigor and decision. Press criticism is limited and official news in respect to many matters simply does not exist. But my enquiries in authoritative circles led me to the conclusion that in civilian defense organization France lags far behind the United Kingdom. Great as is the criticism of the state of civilian organization in Britain, there has nevertheless been amazing progress in training people for their emergency jobs, in preparing for the evacuation of women, children and office workers; in setting up skeleton organizations to keep industry's wheels turning, and to ensure supplies of food.

Civilians Less Organized

In France there is less evidence of such effective measures having been planned and tested experimentally. Although at the time of the September crisis the French newspapers discussed the possible necessity of reducing Paris's population from its normal 3 million to half a million, there has been, it would seem, an inadequate preparation for the carrying out of any such plans. Civilians, women and children and industries and business concerns are far less organized for a war emergency than similar groups in England.

A happy interlude in my stay here was a visit to Canada's new minister to France—Hon. George P. Vanier. He is an old friend to most Canadians who have in recent years visited London, where Mr. Vanier was for so long secretary of the Office of the High Commissioner at Canada House. In Paris, his French ancestry, his urbane courtesy and his understanding of Canada stand him in good stead. I enjoyed my hour's confidential interchange of views with him.

Before I left London, the "Churchill-for-the-Cabinet" boom was in full progress. But it seems

(Continued on page 2, col. 4)

Inter. Pete's Output Down

Colombia Production Holds Up, Peru Decline Nears End

Latest figures for crude oil production from International Petroleum's fields in Peru and Colombia continue the downward trends prevailing over the past year. For the 12 months ended June 30 this year, total crude production has averaged 92,599 barrels per day as against 94,135 bbls. daily in the preceding 12 months.

The fall in output comes chiefly from Peru conditions. Colombia has been steadily producing more oil. Developments have been favorable in that country and several new areas have been opened. Right now the Colombia oil fields are operating at the capacity of the pipe lines. This is likely to place a limit on further expansion of the crude oil output from that area, barring a decision to enlarge the pipe line facilities. On this latter point, officials state that there is nothing to announce at present.

Decline in Peru

In Peru, on the other hand, crude oil production has shown a tendency to decline for the past year or so. Daily average from Peru in the past 12 months was 33,372 bbls. compared with 38,037 bbls. in the year ended June 30, 1938. Company officials intimate, however, that there is not likely to be much further decline in the near future. It is said that the drop in output has been for the purpose of striking a more efficient operating condition, having regard to the most effective gas-oil ratio, and one that can be most easily maintained.

Asked if there is any chance that Peruvian production can be built up again, company officials state that "this is hard to say" and point to the fact that the company is "doing a lot of wildcatting down there and you can never tell what may be discovered."

It is now 12 months since the date of last financial statements issued by International Petroleum. The end of the company year was changed at the last annual meeting to Dec. 31 instead of June 30. It will, therefore, be at least another six months before shareholders can expect a very definite idea of operating results.

Aggregate crude oil production for the past 12 months compares with

(Continued on page 2, col. 8)

May Manufacture Planes for France

Prospects for Making Military Craft Here Said Revived

From Our Own Correspondent

OTTAWA.—Prospects of initiating production in Canada of French military aircraft, reported active about a year ago, are understood to have recently been revived.

Some time ago, The Financial Post is told, a well-backed and financed group of French aircraft producers was given official encouragement by French Government authorities to establish aircraft production facilities in the Dominion. Representatives of this group are said to have already completed considerable investigation of the feasibility of the proposal, and to have undertaken preliminary negotiation with Canadian aircraft producers and other Canadian interests.

Should French plane production be launched in this country, it would likely be on a basis similar to the scheme now operative for production of British bombers.

West. Canada Results Best Recent Years

Milling Concern Benefits From Low Wheat Prices and Good Crops

PROSPECTS EXCELLENT

Earnings of Western Canada Flour Mills Co. for the year which ends July 31 are expected to be better than for any recent year, The Financial Post is informed by company sources.

In the year ended July 31, 1938, Western Canada Flour Mills reported a net loss of $315,305, making this the worst year in the company's history. Profit two years ago was $72,607 and it is indicated that this figure will be exceeded when the next report appears some time in October.

Partly as a result of better operations and partly because of lower values for wheat and flour, bank loans will be less than the $1.7 million of a year ago, The Financial Post is told. This will be reflected in a stronger working capital than the $247,507 of last year.

No Dividends Expected

This matter of working capital requirements, however, is said to be one good reason why there is no present likelihood of an early resumption of dividends on the preferred stock. No payments have been made on the $2.4 millions of 6½% preferred since March 15, 1935, and arrears will amount to $37.12½ on Sept. 1.

It is thought that the company will desire to build up its liquid position before resuming dividend payments. The Financial Post is told, also, that there is no talk of a capital adjustment to strengthen its position.

Because of the larger volume of export business that has been obtained during the past year, western Canada's ratio of operations has been well above that of last year. Currently, there is some slackening off in anticipation of the end of the year and to allow for working off old inventories.

Excellent Prospects

Prospects for the coming year are also excellent. The combination of low-priced wheat and good crops was the factor that enabled western Canada, like other Canadian milling concerns, to achieve much better results in the crop year just closing. Currently, the prospects are for an even better wheat crop this summer and prices have tended lower as a result. This means that the milling industry should start off the com-

(Continued on page 2, col. 7)

Dosco Iron Output On 700 Ton Basis

From Our Own Correspondent

MONTREAL.—Pig iron production of the Sydney plant of Dominion Steel & Coal Corp. is averaging about 700 tons daily. Expectation is that output for July will be as high as that for June.

In connection with the company's programme of development at Sydney, foundations for the two new open hearth furnaces have already been completed. Installation of equipment, which will involve an outlay of around $1.5 million, is under way. No serious interruption of production will be caused by the installation.

Again Press Great Lakes

Long-term Prorating Adjustment Is Sought

Chief problem of Great Lakes Paper Co. at present is to keep its output at a level satisfactory to the Ontario Government and at the same time fulfil its contractual obligations to its customers, says Hon. Earl Rowe, president.

For the first half of 1939, Great Lakes Paper operated at around 65% of capacity while the prorating mills averaged a little less than 54%. It is this variation that has reawakened interest in the peculiar relations prevailing in the newsprint industry in this country.

Earlier this year, temporary settlement of differences between newsprint regulations and the scale of operations of Great Lakes was reached but this is understood to have been effective for a short period only. Now negotiations are again under way to arrange some kind of agreement that will apply over a longer period.

Hope for Settlement

While there appear to be good reasons to hope for a reasonably satisfactory settlement, it is difficult to foretell just what form the arrangements will take or when they will be completed. To comply with prorating agreements, Great Lakes would have to turn over from 8% to 10% of its present output to other mills.

The company has already turned over the contract obtained from the Milwaukee Journal for 1939 only. This contract will likely require over 20,000 tons this year.

A feature story on page 14 discusses the prorating of newsprint production from the viewpoint of Great Lakes.

Stock Markets Activity Gives Rise to Optimism

Optimism has again been kindled in stock market circles.

For weeks levels of activity were so low that it became clear that the public was almost completely ignoring the stock market. A day when 1¾ million shares were traded on the New York market, followed by another that showed almost 1.9 million shares this week, brought back the public buying that makes for active speculative markets.

There are many investors who follow the so-called chart systems of forecasting stock market moves. Of these the best known is the Dow theory. When the Dow-Jones industrial stock averages moved up through the levels at which June recovery from last April's war scare was stopped, and when this move was supported by similar action on the part of the railroad stock average, it meant to Dow theory followers that a new period of rising stock prices was under way. This probably brought in a certain amount of "automatic" buying.

These moves indicate that the low points of 121.44 for the Dow-Jones industrials and 24.14 for the railroad average marked the bottom of the decline. A subsequent rally took the industrial average to 140.14 on June 10. Then came a series of declines that reached a bottom of 130.05 for the industrial average on June 29 and 25.85 on the following day for the rail average.

Now the latest move has taken both averages well above the highs of June, thus making what is considered to be a strong confirmation of the assumption that the down trend has ended and we are in a period of rising prices again.

U. S. Starts Move

The cue for the latest uptrend came from the United States. Canadian stock markets have not yet shown any great ability to move up.

In support of the premise that a new uptrend in stock prices has started, chief points mentioned are:

1. Talk of some kind of a settlement of European controversies, as indicated by cabled report of Horace T. Hunter, president of The MacLean Publishing Co., to The Financial Post last week from London.
2. Record high level of bond prices, reflecting abundance of reserve funds in the hands of large investors.
3. Low and relatively stable level of commodity prices, which have held firm at low levels throughout a year of unsatisfactory stock market performances.
4. Clear evidence that business levels in this country and others are improving.

Canadian stocks have been influenced by prospects for an excellent wheat crop in western Canada, tempered by the likelihood that prices will be low.

The chief reason for caution seems to be the possibility that another flare-up will come in Europe or the Orient. This could be hard on nerves already tried severely.

Inglis Stock Sale Continues

Stock in the John Inglis Co. is still being offered to the public, The Financial Post learns. It is said that the last sale was at $7.50 a share around two weeks ago.

The firm of Cameron, Pointon & Merritt, which has been continually connected with the Inglis deal, is handling the transactions on an over-the-counter basis. This firm is still registered as brokers by the Ontario Securities Commission and the Commission has not made any change in its former ruling which permitted sale of this stock to the public, according to sources close to the Commission.

Although no official confirmation is available, it is understood that approximately 4,000 shares of the Inglis stock have been actually sold to the public. There may be further offerings at a later date at prices which have not been decided.

Mersey Paper Earnings Decrease in Past Year

Mersey Paper Co. reports consolidated net earnings of $852,933 for 1938. This compares with $947,243 in 1937. The company set aside $453,078 for depreciation and depletion, after payment of interest charges, as against $580,707 in the previous year.

Since 1931 it has been the policy of the company to transfer all earnings in excess of interest charges to depreciation and depletion, so that no earnings are shown on the capital stock. Working capital is shown at $1,456,926, as against $1,428,673 at the end of 1937. Bank loans increased from $311,000 to $677,000. Inventory stood at $1,617,954, compared with $1,190,627 in 1937.

Migrant Flow Gains Impetus From Europe

Ottawa Reticent on New Immigration But Believes Public Approves

25,000 COME THIS YEAR

From Our Own Correspondent

OTTAWA.—Fearing disadvantageous political reaction, the Government declines to reveal either the extent to which European industries have been established in Canada or the number of immigrants being admitted.

It is learned, authoritatively, however, that Ottawa has admitted industrialists with capital and that more than a score of new industries have already been started. It is learned that immigrants are being admitted roughly at the rate of 100 per week, and as a single permit usually covers the head of a family (whose dependents will later follow him) the inflow, at the present volume, can scarcely fall below 25,000 per year.

See Swing in Public Opinion

The Government's reticence is believed due to the belief that many people in Canada, particularly in Quebec, are opposed to immigration. It is admitted, however, that this sentiment is rapidly changing and that public opinion is quickly approaching the point where a more wide-open policy with respect to immigration will be possible.

So far as the entry into Canada of immigrants is concerned, the Immigration Act contains only a blanket provision. It provides that immigration is to be controlled by regulations approved by the Government and based upon this statute. Prior to August, 1930, the regulations were very liberal. But in the early days of the Bennett Government there was believed to be a direct connection between immigration and unemployment. No doubt it was purely a coincidence, but actually the number of unemployed and the number of immigrants admitted to Canada in the early months of 1930 tallied within a few thousand.

Restricted During Depression

The old regulations were rescinded and new ones adopted. The new regulations, contained in orders-in-council passed in August, 1930, and the early months of 1931, effectively closed the door of this country to all incomers except those who could qualify under the following four headings:

Agriculturists with money.
United States citizens with money.
British subjects with money.
The wife or child (under 18 years of age) of a Canadian citizen.

Careful Restrictions

Otherwise, all persons entering Canada must do so by special permit, in the form of an order-in-council, in which it must be declared that their labor is required in this country. It is this form of permit which is now being issued, but admittance is carefully limited and largely to the following groups:

1—Members of the 1,200 families from the Sudeten areas coming out to Canada under the scheme financed by the British Government loan to Czecho-Slovakia after the partition of last fall. Since the absorption of the bulk of Czecho-Slovakia by Germany in the spring this movement has been left in the air and actually less than 100 families have arrived.

2—Farmers with a minimum capital of $1,500, to be selected by the two major Canadian railways which undertake to place them where they will immediately become producers and self-supporting.

3—Individuals desiring to reunite with their family in Canada and whose support will be guaranteed by members of the family now residing here.

4—Outstanding scientists and professional people if they have a place to go to in Canada.

5—Industrialists, traders, etc., with a minimum of $15,000 capital to come to Canada to establish new industries that are considered to have a reasonable chance of success.

Hope to Open Wider

Unofficially, it is declared to be the intention of the Government, if it is returned to power in the coming general election, to revise the immigration regulations so as to enable a much greater number of persons to qualify automatically for entrance, thus doing away, largely, with the device of special permits.

Biltmore Hats Sales Improve

Sales of Biltmore Hats Ltd. in the year to date have shown improvement over the same period last year, The Financial Post is informed.

The company experienced labor difficulties last year that reduced earnings on the common stock to 70 cents a share, from $1.07 in the year ended Nov. 30, 1937.

No trouble of this description has been encountered this year and prospects are said to be much brighter.

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THE T. EATON Co LIMITED

Plans Offered For Dairy Corp.

(Continued from page 1)

price to be approved by shareholders. Finally, the sale of the four remaining operating subsidiaries in western Canada to western interests will be considered for $410,000, plus a 33-1/3% equity in a new company.

In the event that debenture holders are unable to reach a decision, the meeting will be adjourned to Aug. 29.

Sales Down

Total sales of the organization in the 1939 fiscal year, including those of Canada Dairies Ltd., amounted to more than $2.9 millions, a decrease of $154,038 from the previous year. This decrease was due almost entirely to the market decline in butter prices, and was in line with the experience of dairy concerns in general.

Statements were not published for the year ended Mar. 31, 1938. No annual meeting was held for the year because of the lack of funds for the purpose.

It is pointed out that during the past two years a considerable amount of non-recurring expense was absorbed.

During the past fiscal year all companies showed a profit with the exception of the Regina subsidiary. Decline in net earnings of the western subsidiaries was $5,475. Lower prices for butter, of which the four subsidiaries made two million pounds, was responsible for the drop in earnings.

Expenses Cut

Expenses of both holding company and operating organizations were down $69,115.

Expenses of Dairy Corp. for the year were lower by $15,567. Statements of Canada Dairies Ltd. will not be included with those of the other subsidiaries of Dairy Corp. in 1938 and 1939, because it was considered inadvisable to consolidate the statements.

The Toronto subsidiary showed a net improvement on the year's operations of $19,181. Including this improvement the whole organization showed an increase of $32,396 in earnings.

Dairy Corp. paid interest on current bank loan of $370,700, and made a reduction in arrears of interest totalling $4,901. Outstanding bonds and mortgages of subsidiary companies were reduced by $23,800, and current position of the four western subsidiaries was improved by $43,414. Including Canada Dairies Ltd. betterment in current position was $57,996. At the end of the last fiscal year subsidiary companies had no bank loans or past due obligations of any description.

Private Secretary Desires Position

YOUNG MAN, AGE 28, WITH eight years' experience as secretary to institutional executive, thoroughly competent to accept responsibility and handle office details, desires new connection with opportunity for advancement. At present employed. Experienced athletic coach. Excellent references. Box 166, The Financial Post, Toronto, Ont.

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Box No. 168, The Financial Post, Toronto, Ont.

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The Royal Bank of Canada

NEW BANK OFFICIAL

D. B. Mansur, formerly inspector of mortgages of the Sun Life Assurance Co., has been appointed general superintendent of the Central Mortgage Bank.

—*Rice Studio, Montreal.*

Mortgage Plan Moves Nearer To Operation

Might Commence Before Fall Mortgage Collections Start

FORM DEFENSE UNIT

From Our Own Correspondent

OTTAWA.—Of the two new Dominion bodies created last week—the Central Mortgage Bank and the Defense Purchasing Board — the former is being pressed toward operation with all possible speed.

The directorate of the bank has appointed D. B. Mansur, formerly inspector of mortgages of the Sun Life Assurance Co., as the general superintendent, and an entire floor of the Bank of Canada building has been turned over for the use of the staff which is being rapidly assembled.

Three appointments had been made to the board of directors prior to the appointment of Mr. Mansur. The new directors are: P. A. Chester, Canadian general manager of Hudson's Bay Co., Winnipeg; J. A. Brillant, Rimouski, Que.; and F. W. Wegenast, K.C., Toronto.

May Start in September

Mr. Mansur is the operating head of the new organization, but questions of policy will remain principally with the directors and senior officials. While the appointment in no way alters the attitude of the institutions toward the scheme, most of the potential members approve the appointment of a superintendent with practical experience in the mortgage business.

With the best will in the world, the bank can scarcely get into action before September. It is understood that the officials of the bank have in mind launching their operations before the fall payments on mortgages fall due.

Defining Terms

Reason for this delay is simple. The Central Mortgage Bank Act is a skeleton Act which must be clothed by means of regulations. The statute uses many terms and provides that the meaning of these terms is to be defined by regulations to be issued by the Government. The terms are set out in section 31 of the statute as follows: Agreement for sale, amount owing on the mortgage account, arrears of interest, effective rate of interest, farm, grain growing farm, hypothec, mortgage, non-farm home, single-family home, two-family home.

Some of these terms, such as "farm" are extremely difficult to define, particularly when it is considered that the definition must be legally precise.

In addition, the officials must draft a form of agreement between the member companies and the bank and, also, between the debtors whose mortgages are to be adjusted and the companies.

All these forms and definitions must be worked out in collaboration with the companies who will become members of the bank and if the work is done within six weeks, everyone will be well satisfied.

Defense Board

In the initial stages, at least, the Defense Purchasing Board is a much simpler body to organize. The statement issued by the Government at the time the appointments were announced, shows that Premier Mackenzie King has chosen to place the utmost responsibility upon the board and has virtually reduced the National Defense Department, so far as the purchase of war supplies is concerned, to a nullity.

The Government statement said:

"The board will have exclusive power to negotiate and recommend contracts for armaments and defense equipment and defense projects where the amount involved exceeds $5,000. Where articles of equipment are required by the Department of National Defense for the purposes of the defense programme, requisitions will be made to the Defense Purchasing Board, who will thus constitute a specialized body in control of the business, commercial and financial aspects of all major defense matters."

Cut From Defense Department

When it is recalled that this board is responsible not to the Minister of National Defense, but to the Minister of Finance, the full significance of the statement is revealed. The National Defense Department is reduced to a purely administrative department.

The responsibility for the expenditure of the millions voted for defense purchases has been diverted from the National Defense Department to the Finance Department.

The Nation's Business

(Continued from page 1)

obtained from Canada in the event of war breaking out. There is no reason why the belief should persist in London that Canada might attempt to establish its neutrality in a major struggle and forbid export of weapons and shells from Canada to the Old Country.

Whatever Canada's official attitude has been in the past three years on that particular point Mr. King has now made it clear that if the Motherland's security is jeopardized by a European aggressor Canada will feel impelled to come to her aid. His recent statement to Parliament, supplemented by the lucid comment of the Minister of Justice, Hon. Ernest Lapointe (chief parliamentary spokesman for Canada's French-speaking citizens), should leave no doubts in anyone's mind as to where Canada stands in the present world emergency.

An official invitation by Mr. King to Great Britain to send a munitions mission to Canada would do more than anything else to clear the air and put Canada's policy beyond the boundaries of uncertainty.

* * *

The Impracticable 5% Profit Limit

ANOTHER aspect of government defense purchasing policy that remains as a possible obstruction to speedy and effective action is the clause limiting profits on non-competitive buying to 5% of the average capital employed. This clause was a bid for public favor, a political gesture to win back some of the public favor lost by the Bren gun revelations. Official Ottawa never believed in it and the Cabinet obviously hoped the Senate would throw it out or modify it. But the Senate refused the responsibility.

There may be a strong popular appeal in limiting the profits that may be made out of the urgent needs of the nation in an hour of peril. But the clause is absurd and impracticable, and, if it were to be applied to any substantial portion of defense buying, would obstruct rather than facilitate necessary rearmament. It is virtually impossible to determine "average capital" (upon which 5% may be earned) within the meaning of the Act. Five per cent would be a generous profit margin under certain interpretations or conditions and grossly inadequate under others. A fixed percentage of this character is an invitation to evasion and abuse.

In practice, the clause may seldom be a factor because it does not apply when tenders are called for. The Defense Purchasing Board will probably find it expedient if not necessary—in order to be able to buy anything at all—to call for tenders on most purchases.

* * *

ESTABLISHED Canadian industries for the most part would prefer to have nothing to do with munitions business. In all except a few cases their interest in it arises primarily out of a recognition of a vital national and Empire need, that may at any moment turn into an emergency need of even greater proportions. Manufacturers do not want to be asked to do the impossible; to have to turn from peacetime production to war-time production over night and without previous planning and preparation.

They are prepared to enlist in the production of defense manufactures. They are prepared to undertake the manufacture of munitions and supplies on any basis that is fair to their workers and that will protect their investors from loss. They are prepared, while we are still at peace, to re-equip their plants and train their workers in order to be able to produce the greatly enlarged volume of munitions that will be urgently called for if war comes. Their offer of assistance extends not merely to Canadian needs but to Empire needs.

In return they ask a definite statement of what is required of them. They ask efficient purchasing without the intervention of favor-seeking politicians.

The appointment of so able a Defense Purchasing Board will go a long way to meeting the situation so far as Canada's own rearmament programme is concerned. But Canadian industrialists want a similar clarity in the position as respects Canadian co-operation with the British defense programme and in British armament orders for Canada.

British and French Front Solid

(Continued from page 1)

to have failed for the moment at least. The Churchillites, strong as they are, have overplayed their hand and it may be that their temporary setback is but the prelude to final failure for their effort to induce Prime Minister Neville Chamberlain to reconstruct his cabinet and bring in the gingery statesman-soldier who stands in the minds of many people as a symbol of fighting back instead of merely resisting.

The effort to get Churchill into the cabinet is indirectly an attack upon Mr. Chamberlain. It is also an expression of public desire for continuance of firm and uncompromising policies agains the dictators.

Actually though, it is not necessary to put Winston Churchill in the Cabinet to ensure such policies from Mr. Chamberlain. During recent months the Prime Minister has, step by step, adopted all the policies urged upon him by the opposition groups. The Chamberlain-Halifax policy of always striving for a peacful settlement of Europe's underlying problems has swallowed up the opposition policies of getting ready for war, of chalking a line beyond which the dictators must not step, of meeting propaganda with propaganda and threats of force with assurance of greater strength.

Germany's Secret Moves

In both England and France, this week's mysterious movements of Germany's military forces—of soldiers and war supplies—in the direction of Danzig and elsewhere have caused a good deal of underlying uneasiness. But the factors in the situation that give some promise of peace have tended to rise to the surface in recent days.

Of all the elements in the situation, one that is most promising is the fact that Hitler has established a reputation for preferring those concessions and tactical victories that he can win without war to the possibly greater triumphs that his advisers assure him he could get by war.

Perhaps it is dangerous to attempt to interpret Hitler's ideas in coldly logical reasoning terms since he has not a logical but rather a mystical mind. I do not know whether or not he "hears voices," but there are certain things that he must be hearing, either in his inner consciousness or from the lips of any reasonable persons who may have access to him.

He must hear, for instance that a short war — the Blitzstreich or lightning stroke—is a delusion. That means that if he embarks upon war he must be prepared for a lengthy struggle. And a prolonged war brings up again the old problem of the blockade, which finally broke Germany's spirit in the last war and produced victory for the Allies.

He must hear, too, that in modern warfare the strength that is needed for attack is much greater than the strength that is needed for defense—and Germany will be the nation that will have to undertake the attack.

Hitler has convinced all his people that there will be no war. It follows that his people feel a sense of security and a confidence in his ability to avoid war, that would be a real problem if he resorted to unprovoked aggression. The German people are not only unready for the outbreak of war, but they are not in a position to stand the nervous tension, the increased demands upon their physical and mental stamina that a war would bring. Continuously at a peak of effort, they have not the reserve capacity, in moral strength and material resources, that is available for summoning up in England and France.

Germans Are Worried

Germans are beginning to worry about the possibilities of inflation. While industrial production has touched a new peak in Germany and unemployment has dropped to a figure that represents a practical zero, money in circulation has climbed from under 7 billions of Reichsmarks in early 1938 to well over 10 billions today. The increase cannot be adequately accounted for by the inclusion of Austria and the old Bohemia-Moravia areas into the Reich. And it is significant that certain key industrial and financial statistics that Germany was proudly publishing to the world a few months ago to show her relatively greater degree of "prosperity" are now weeks or months late in appearing.

In Germany the great industrialists and the middle class hold common cause in their fear and dislike of the very thought of Hitler involving the nation in war.

Another factor that today is most promising for peace is the genuine unity of purpose that marks the aims and preparations of France and England.

Concessions Are Possible

Many concessions are possible in Europe. The possible gains that the dictator countries would be vouchsafed in a peaceful settlement are very great.

The major difference between 1914 and today is that in 1914 only a few people expected war to come. Twenty-five years later the expectation of war in Europe is almost universal. But this very consciousness of the danger of approaching war is breeding a caution in all countries that may itself be a factor in preventing war—in much the same way that crowded highways on a holiday week end in Canada often promote safer driving and fewer fatal accidents than are recorded on a "normal" week end.

Today Hitler is in a mood of hesitation. If this were not so he would long since have moved to complete the annexation of Danzig. His hesitation is based upon a growing realization of the very power and determination which he faces. War has already been postponed beyond the date when it might logically have been expected to break out. There is still hope that it may be postponed again and again until peace itself breaks out in Europe.

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British-Type Trust Formed

English Funds Subscribed to Mining Finance Pool

Designed to attract British money into Canadian mining by offering British investors the type of investment to which they are accustomed, Canadian Mineral Equities Ltd. is now offering stock valued at $5 millions at current price quotations.

Some $600,000 has already been subscribed by prominent British interests, including the Prudential Assurance Co., the Pearl Assurance Co., the Industrial and General Trust Co., Central Mining Co. of London and various wealthy individuals, The Financial Post is informed by company officers.

While this mining trust has been formed primarily as a vehicle for British investment in Canada, registration is to be made both in Canada and United States to permit sale on this continent.

Roster of Directors

The board of directors of Canadian Mineral Equities includes Rt. Hon. Arthur Meighen; Hon. Herbert A. Bruce; David H. Gibson, director of Simpson's Limited and several other companies; Allan A. Aitken, president of Investments Limited and vice-president of Price Bros. & Co.; Sir Henry Drayton, former Dominion Minister of Finance; Lord Queenborough of London; and H. R. Bain, Toronto broker and president of the National Life Assurance Co.

Other directors are the prominent mining engineers, Cyril Knight, Matthew Fairlie and A. J. Brett, chief engineer for the British mining concern, Central Mining Co.

Meighen Firm Managers

Management of the funds is in the hands of Canadian General Securities Ltd., headed by Mr. Meighen, which now handles several investment trust funds. Canadian Mineral Equities will shortly appoint its own investment board.

Incorporated under the Ontario Companies Act, Canadian Mineral Equities has authorized capitalization of 1 million preference or redeemable equity shares no par value and 1,000 common shares, no par. Preference shares are being quoted at $5.

"Unique" Redemption Feature

Officers of the company believe Canadian Mineral Equities is unique in that this is the first time in Canada that a company has been formed along the lines of the unit trust so popular with British investors.

Main feature of this set up is that "upon the request of any holder of preference or redeemable equity shares, the company shall, to the extent to which it has any surplus available, redeem the shares at their liquidating value less 5% of such value." Liquidating value is to be determined by prices of the Toronto Stock Exchange.

A common objection to holding company shares is that their market value is nearly always very considerably lower than their break-up or liquidation value. It is claimed the redemption clause overcomes this objection by virtually guaranteeing a ready market at break-up value less only 5%.

Loblaw Sales, Profits Both Show Increase

Loblaw Groceterias Co. reports an increase in sales in the first four weeks (ended June 24), of the current fiscal year, from $1,691,795 in the same period of the previous year to $1,865,439. Net profit for the period was $61,079, compared with $58,297 for the corresponding period in 1938.

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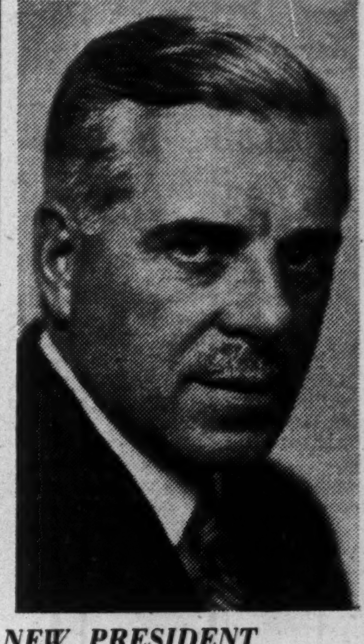


NEW PRESIDENT

Earle Spafford, who has been elected president of the Imperial Tobacco Co. of Canada, succeeding Gray Miller, who is leaving shortly to reside in England. Mr. Spafford has been connected with the tobacco business since 1919 and has been vice-president of Imperial Tobacco Co. since 1932.

West. Canada Results Better

(Continued from page 1)

ing crop year in an even better position than was the case a year ago.

One less favorable factor, perhaps only temporary, is tendency toward narrower margins in converting wheat into flour, because of lower prices prevailing in the domestic market. Competition has been very keen with the result that flour prices have been lowered faster than have wheat prices, The Financial Post is told. This, however, has been more than offset by the favorable factors of a plentiful supply of low-priced wheat that has permitted competitive sales in the export markets that are still open to Canadian millers.

Subsidiaries Improve

Considerably better conditions have prevailed in the salt industry during the past year, it is understood. This has reacted favorably on western Canada's subsidiary, Dominion Salt Co. This unit, which operates salt wells at Sarnia, Ont., is said to be likely to make a substantial contribution to earnings of the parent company this year.

Western Canada also has an interest in the baking business through its subsidiary, Purity Baking Co. This concern operates plants in most of the large centres of Canada. A moderate improvement has also been shown in the baking operations during the past year. Outlook is said to favor continuation of this trend. Lower flour prices and generally lower prices for shortening, sugar and other materials has been of benefit to Purity Baking. Raw materials costs, it is pointed out, however, only make up about 40% of the total cost of a loaf of bread and labor and distribution costs show little or no reduction.

For the bakers generally, lower flour prices are favorable, but there is always a possibility that continuation of this trend may lead to price cutting in the baking field. It is pointed out that a reduction of a cent in the price of a loaf of bread is the equivalent to a drop of $1.80 a barrel for flour and that flour prices have not shown a drop of this nature.

Montreal Prepayments Of Taxes Are Increased

From Our Own Correspondent

MONTREAL.—Advance payments of municipal taxes in Montreal show improvement as a result of an increase in the discount rate.

Since the tax bills were sent out last month, the city has collected $6,803,000 in advance. Practically all this money has come in during the past week or 10 days, since the City Finance Department started its campaign for early payment, coupled with an offer of discount at the rate of 3½% for all tax payments paid ahead of the due date. The taxes fall due on Oct. 1, after which 5% interest is charged on arrears.

Last year, when the discount rate was only 2½%, the amount collected at this time was $4,627,000.

Saguenay Power Profit Down for Three Months

Saguenay Power Co. net profit in the quarter ended June 30 amounted to $252,287. This is $32,513 lower than in same period last year. Operating revenue was on about same level as last year, but operating expenses and taxes were higher. Earning for the first six months of the current year are approximately the same as in the first half of 1938, being equivalent to $2.07 a share on the common stock.

Inter. Pete's Output Down

(Continued from page 1)

the preceding period, based on monthly figures, as follows:

Crude Oil Production
12 Months Ended June 30

	Peru	Colombia	Total
1938	38,037	56,099	94,136
1939	33,372	59,227	92,599

Over the past year comparative figures for the two major fields in South America show the following trends, as mentioned above.

Crude Oil Production

1938:	Peru bbls.	Colombia bbls.	Daily average bbls.
July	1,115,048	1,803,143	94,135
August	1,111,339	1,852,467	95,607
September	1,070,458	1,781,251	95,057
October	1,112,430	1,868,631	96,163
November	1,096,679	1,845,420	98,070
December	1,104,520	1,880,734	96,298
1939:			
January	1,039,421	1,688,264	87,990
February	914,632	1,609,126	90,134
March	990,928	1,791,493	89,756
April	934,319	1,799,040	91,112
May	859,986	1,869,921	88,062
June	831,151	1,828,354	88,650
	12,180,911	21,617,844	92,599

This, of course, makes no allowance for the crude oil that is being obtained each month from the deal whereby International Petroleum buys one quarter of the Venezuelan output of Mene Grande Oil Co. This share has been running somewhat above 15,000 bbls. monthly for International Petroleum before allowing for royalty payments.

Mene Grande Line Opens

Mene Grande Oil Co.'s new 100-mile pipe line in eastern Venezuela was completed July 10 according to the Oil & Gas Journal. Originally, it had been scheduled for completion in September, but it is now indicated that the line will be ready for use by the end of this month. It will be another month or two before the pumping stations can be completed and the line used to its full capacity.

Completion of this pipe line opens up a number of oil fields in Venezuela, where heavy production has been proved but which had previously had no outlet.

International Petroleum Co. has a one-quarter interest in all crude oil produced by Mene Grande in Venezuela and also pays one quarter of development costs which would include the cost of the new pipe line.

Should Raise Production

Opening of these new areas should add substantially to the crude oil production from the Mene Grande properties in Venezuela. At present production is running around 60,000 barrels daily of which International Petroleum's shares will be about 15,000 barrels. It was to this development that International Petroleum directors referred when, giving their reason for reducing the extra dividend paid in June from 50 cents a share to 25 cents a share, they mentioned the need for working capital to develop new areas in South America.

Politics Influence Stock

Politics in South America continue to bulk large in the investment appraisal of the stock of International Petroleum. Directors of the company tell The Financial Post that "so far we have seen no evidence of political interference with any of our properties." They continue to reinvest capital in oil properties in that continent, of which the most spectacular is the Mene Grande deal involving many millions of dollars.

Mexico, first country to take drastic action against foreign-owned oil properties, is reported to have made a deal to sell large quantities of crude oil to the Brazilian authorities. In the latter country, the government is taking on the operation of oil refining properties. International Petroleum from time to time sells crude oil to Brazilian refineries and sees no reason that it cannot continue to do so.

Chile and Bolivia are the two other countries that have taken definite steps to interfere with foreign-owned oil properties, it is said that the situation in Bolivia is likely to be straightened out in a manner satisfactory to all parties. International Petroleum had no investments in either of these two countries.

Internal Boom

Observers tend now to the opinion that even a request that companies down in Peru, Chile, Colombia and other South American countries give up some of the foreign exchange that they send out of these countries each year, in the form of dividends and remittances, is only a remote chance.

Chief reason for this is that a kind of internal boom is taking place, particularly in Brazil, Peru and Chile.

The whole situation is claimed by one observer to have been exaggerated by the press in the United States and the chance of any confiscation of oil properties in Peru and Colombia is said to be about as remote as at any time in the past.

PACIFIC POWER AND WATER COMPANY LIMITED

Prior Preferred Dividend No. 14

Notice is hereby given that the regular quarterly Dividend of Seventy-five cents per share on Prior Preferred Shares (being at the rate of 6% per annum) has been declared for the quarter ending July 31st, 1939. This Dividend to be payable on August 1st, 1939 to shareholders of Record July 25th, 1939.

By Order of the Board.

W. T. HAYNES, Secretary.

Vancouver, B.C.
July 19, 1939.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Teck Township, Ont.	July	Wood, Gundy & Co.	4&4½%	5 & 10 yr.	$278,000	102.19	3.57%
Campbellton, N.B. Sch. Trustees	July	Eastern Securities	4%	20-yr.	19,500	100.32	....
Dominion—							
Canada Treasury Bills	July	....	....	Oct. 13 '39	30,000,000	99.854	.584%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Dominion Textile Co.	July	Bank of Montreal	2½%	10-yr. ser.	$1,000,000	†	....
			3½%	20-yr.	3,500,000		

†No public offering.

London Calling — By Atticus

Defense Preparations Interfere With Sacred Private Life of Average Englishman — Future Prime Ministers

LONDON.—In case some Atticus of 50 years hence deigns to turn back to his humble predecessor for details of these times, I think one should record some of the astonishing changes that are taking place in our daily lives. The Wizard of Berchtesgaden has not only challenged our destiny but is interfering with our habits. At a dignified private dinner party the other night I was shocked, when the men joined the ladies, to find one of the ladies on her face on the drawing-room floor and the others all gathered around her in a heated and, it seemed, inhuman discussion. No one had bothered to call a doctor or even fetch a glass of water. Then we learned that all but one of the ladies had taken a first-aid course and were demonstrating their mutual skill on each other.

* * *

Practise for Emergency

A few days before I had stood respectfully and admiringly as a fire engine swept recklessly round the corner. One of the firemen, whose balance seemed unusually precarious and whose rubber boots were as large as his hat was small, waved to me. It was my friend Sir Shirley Worthington-Evans, whose father was Secretary of State for War 15 years ago.

In the street recently I was nearly run down by an ambulance driven by a most comely young woman. While learning to drive the ambulance she had suddenly decided not to lose touch with her skill with lipstick. A friend of mine who possesses a most fastidious nature persuaded me to watch him at work with the decontamination squad of which he is a member. Dressed in rubber overalls and gas mask, one of them spread a chalky substance on the pavement. At this my friend poured water on it from a small hose while his colleagues carefully swept the unpleasant substance away. After that it seems perfectly natural to find gas-proof doors on the terrace level of the House of Commons inviting us to pull them toward us.

So much has A.R.P. permeated our lives that it is time a little word of gratitude or sympathy was expressed for the two Scots who have to wrestle with its innumerable problems.

* * *

Behind Civilian Defense

When Sir John Anderson gave up his remunerative directorships and the safe position of an important private member of the House of Commons he could have had no illusions about the task which he was undertaking. If he possessed political ambitions he must have realized that civilian defense would smother him in detail and give him little chance to impress the House as a debater. He must also have known that, unlike the army and the navy, which can demonstrate their efficiency even in times of peace, the forces of A.R.P. have yet had no opportunity to prove themselves and can do it only in case of an actual air raid—by which time no one would think of paying tribute to the Minister in charge.

SIR JOHN ANDERSON

Sir John Anderson does not know the meaning of the word "shirk." If his manner as a speaker lacks glamour and nuance it has sincerity and carries conviction. His patience with questioners in the House is inexhaustible, and if at times he longs for his library and the doubtful pleasures of the billiard table, he never shows any sense of boredom with his departmental tasks.

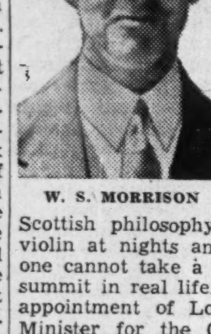
He is not an easy personality to dissect. In front he presents a stolid and solid appearance in keeping with the sober character of his antecedents. But from behind one notices a youthfulness of back and shoulders which suggests that, like Lord Nuffield, he might have been tempted more than once to dance on the grass in the moonlight. Like nearly all Scots he has humor and finds an element of fun even in cleaning out the Augean stables of National Defense.

* * *

Morrison Climbs Again

In these notes last week I mentioned the phenomenon of Ministerial reputations that rise and fall for reasons that are not always apparent. Mr. W. S. Morrison was made a Minister for the first time in the present Parliament and was acclaimed by some admirers as future Prime Minister. Now he has joined the large number of former future Premiers in the Cabinet. As Financial Secretary to the Treasury he was a definite success, but Mr. Baldwin, who liked to mortify the spirits of his favorites, sent him to the Ministry of Agriculture. At the time an admirer said to the young, angular, grey-haired Scot: "This is the beginning." "On the contrary," Morrison is supposed to have replied, "this is the end."

His Waterloo came with the ill-fated Milk Bill. Morrison believed in it, and still does. This brought a double retribution on his head. It was bad enough to introduce the Bill but to believe in it was inexcusable! He was taken away from the Board of Agriculture and placed in a state of suspended animation at the Chancellory of the Duchy of Lancaster. With true Scottish philosophy he played his violin at nights and reflected that one cannot take a funicular to the summit in real life. Then, with the appointment of Lord Chatfield as Minister for the Co-ordination of Defense Mr. Morrison became the House of Commons end of that important business.



W. S. MORRISON

Slowly he is recovering ground. His good humor and his clear-headedness are once more impressing the House. We like him for not crying over the spilt Milk Bill. What he needs as a Front Bencher is a little more sense of legato and a more voluptuous treatment of syllables. While the word "extraordinary" may not have the six syllables that our American cousins think, it has definitely more than one.

In other words those who like picking up cheap political shares and holding them for a rise should not neglect the well-known firm of "Anderson and Morrison." At the moment dependent on rearmament, they are well qualified to switch over to peace-time industry when the time comes.

* * *

"Terriers" Leader

In spite of the warlike atmosphere of these days the public has no idols in the Services. There is no Kitchener to seize the imagination, no "Bobs" to ask for our ears. That does not mean, however, that sterling work is not being done. No praise is too high for the efforts made by Lt.-General Sir Walter Kirke, who is retiring as Director-General of the Territorial Army to take up the post of Inspector-General of the Home Forces.

Before he took up the Territorial Army position in 1936, he was G.O.C. Western Command, and had served in half a dozen wars, great and small. He was 61 and might well have looked forward to an easier life.

Instead he threw himself into his new job with all the energy of an ambitious subaltern trying to make his way. He used the airplane as the swiftest means of reaching his scattered forces; and in 10 days, shortly after his appointment, he swooped down on units in England, Scotland, and Northern Ireland. He made speeches to all who would listen, saying everywhere: "Peace, strength, danger, service." He put spirit and enthusiasm into all ranks, and even made the War Office "Terrier conscious."

Sir Walter Mervyn Kirke is from across the border and he has a third name, St. George—which shows a broadminded attitude on the part of his parents. His father was a soldier. His two brothers are soldiers and, like himself, won the D.S.O. in France. Some day I hope we shall be able to read his summary of the lessons of the Great War. He was President of an official committee on that subject and the findings, I am told, were so blunt that the report was only privately circulated.

* * *

What Might Have Been

Some day a film should be made called "The Great Strobl." Certainly one would have to go back to the "Rodin Boom" in London to find any parallel to the success of Professor Strobl when he first came to London some years ago. Mr. Bernard Shaw was almost his first catch here, and he speedily invaded the realms of Politics, Society, and Royalty.

When Strobl came to my house to dine the other day I was delighted. He breathes good nature and good humor. Life to him is merely an extra act of "La Bohème," and his stories of the late Lord Oxford, Sir John Simon, the late Lord Allenby, Admiral Horthy and others of his famous sitters are full of discretion but by no means lacking in illumination. Only when one speaks of Epstein does he become belligerent. His comments on the political situation are not unoriginal. "Why did the Academy in Vienna refuse the paintings of Adolf Hitler?" he asks. "Twice he came with his pictures under his arm and twice did they say 'No.' Now, if they had only given him encouragement Herr Hitler might have been painting in Vienna today."

This is such a solemn thought that I think it will mark the end of my notes today. The spectacle of the brooding dreamer of Berchtesgaden painting a portrait of the Burgomaster of Vienna and receiving the congratulations of the entire City Council is something to ruminate upon. Truly the destiny of the human race is subject to strange caprice.

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To Intensify Drive On Selling Fraud

Better Business Bureaus Seek Curb on Unfair Practices

Plan for intensified effort by better business bureaus in Canada and the United States to curb unfair practices in advertising and selling, was one of the chief results of the Business-Consumer Relations Conference held in Buffalo recently.

Affiliated units of the National Association of Better Business Bureaus, which sponsored the Conference, have also undertaken to augment their facilities for providing factual information for guidance of business, consumers, educators and government bodies. Annual convention of the Association was held following the Relations Conference, which, although it was the first gathering of its type ever attempted, attracted 600 representatives of the four interested groups.

Delegates from Canada included officials of the Toronto and Montreal Better Business Bureaus, leading retail stores, business and advertising organizations, National Council of Women, and trade publications. The programme laid down by the Business Bureau Association calls for future conferences of a similar nature.

High Costs Hold Up C. P. R. Ship Orders

From Our Own Correspondent

MONTREAL. — Dispatches from London, Eng., quote Sir Edward Beatty as stating that the high cost of shipbuilding is holding up orders worth $56 millions for eight new steamships for the Canadian Pacific Steamships and associated lines.

Small Income Earners Get 90% House Loans

Form Majority of N. H. A. Borrowers for Low-cost Dwellings — Factory Workers Constitute Largest Group Benefitted

Canadians of small or modest incomes under $30 a week, form the great majority of home builders or owners who have obtained 90% mortgages under the National Housing Act. This is shown by special analysis by the Department of Finance of this category of N.H.A. loans, which require only 10% equity by the borrower. They are limited to financing of homes built or bought for owner occupancy where appraised lending value does not exceed $2,500.

Total of close to $800,000 was loaned to 309 borrowers on the 90% basis up to May 31, 1939, from the time such loans were provided for last summer in Part 1 of the N.H.A., embodying the liberalized Dominion Housing Act. Classification of these borrowers according to income shows that nearly 85% are earning not more than $1,500 or about $28 a week. The incomes of over 40% were not more than $1,200.

Helps Low Earners

While the breakdown shows that the 90% loan concession is being taken advantage of mainly by those of small income, it also indicates that all borrowers are fully meeting the accepted rule as to relation of income to cost of houses built or bought. This stipulates that cost of the dwelling should not exceed 2½ times annual income. The lowest income range listed is "$1,100 or less," suggesting a minimum of $1,000, which would permit purchase of a $2,500 house.

The chief income groups and occupations of the 309 borrowers of 90% loans are shown by the following table:

N. H. A. 90% Loan Borrowers

Grouped by Incomes

Income Range	No. of Loans
$1,100 or less	61
$1,101-$1,200	69
$1,201-$1,300	45
$1,301-$1,400	36
$1,401-$1,500	46
Over $1,500	52
	309

Grouped by Occupations

Factory employees	67
Clerks	24
Shippers	15
Salesmen	14
Factory foremen	13
Mechanics	12
Machinists	11
Truck drivers	11
Plasterers	8
Electricians	8
Chauffeurs	3

The above covers only the occupational groups chiefly represented among borrowers. A total of 75 different occupations is shown by the complete list.

In 59 Centres

The loans have been made in 59 of the 322 communities across the Dominion in which N.H.A. loans have been or are being made since the now repealed Dominion Housing Act became operative in 1935. Heaviest placement of 90% loans has been in Hamilton, Ont. and North York township (Toronto suburb), which led the list with 83 and 78 loans respectively. Residents of London, Ont., and Vancouver have borrowed 12 such loans in each centre, and Welland, Ont., reports a total of 10.

The Department of Finance reports that plans are under way in several municipalities to build simultaneously a number of minimum cost dwellings qualifying for 90% loans, thus effecting economies and increasing value of the completed houses. It is pointed out that for borrowers of 90% loans, monthly payments over a 20-year period amount to only $14.71, for interest and amortization of principal; plus one twelfth of annual taxes.

Tax Remissions

If the borrower lives in a municipality qualified under Part III of the N.H.A., he is entitled to tax remissions from the Dominion Government during the first three years of occupancy. The remissions, averaging 60% of taxes over the three-year period, apply to dwelling units costing less than $4,000 and built for owner occupancy in places where municipal lots at prices of $50 or less are available, though such lots need not be used as sites for the houses involved.

In most cases, the houses financed by 90% loans to date have been of the one-story bungalow type, with full basement and bathroom. The majority contain either four or five rooms (151-4 rooms, 133-5 rooms), the four-room units consisting in the main of combined living-dining room, full-size kitchen, and two bedrooms. Separate dining space is provided in some of the five-room dwellings. A few have six rooms, allowing for an extra bedroom.

Influence of the National Housing Act in assisting those of small income and encouraging construction of single dwellings, is reflected by the report of loans made in May. This shows that only 4% of the loans made were for apartment houses or other multi-family units, the remainder being for single family dwellings. The average loan per dwelling unit was $3,274 during the month, and more than half of the units were financed by loans below the average. About 90% of the units required loans of $4,000 or less, and 80% took loans of $3,500 or less.

New Building

B. C. Dept. of Public Works has announced a $3.5 millions programme of works in that province, chiefly for provincial, tourist and mining roads, and new buildings for the University of B. C.

Victoria Hospital and **University of Western Ontario** are receiving tenders until Aug. 21, for construction of cancer clinic and research laboratory building, at estimated cost of $680,000.

R.C.A. Victor Co. has awarded contract for building of $60,000 addition to its Montreal factory.

H. J. Heinz Co. has entered into an agreement with Town of Wallaceburg, Ont., subject to approval of ratepayers in regard to fixed assessment provisions, calling for erection of modern plant west of the town.

Townships of Neelon and Garson (Ont.) are considering installation of water and sewage disposal systems at Garson Mine, Ont., estimated cost having been set at $105,600 in recently completed report of consulting engineers, James, Proctor & Redfern, Toronto.

City of London (Ont.) has called for tenders from London contractors for construction of museum and library building to cost approximately $300,000.

Bank of Montreal has launched actual construction of its new Ontario headquarters building in downtown Toronto, with award to **Anglin-Norcross Ontario Ltd.** of contract at about $200,000 for excavation, foundation and substructure. Contract for 16-story superstructure for the project, which is expected to involve gross outlay of from $2 millions to $2.5 millions, is slated to be let next month.

Hudson's Bay Co. has undertaken to proceed with erection of $200,000 apartment house in Regina, and possibly a $50,000 commercial building in the future, in consideration of being released by city council of Regina from undertaking to construct $1 million department store. The agreement for the apartment store dates back to 1929.

Marshall Ventilated Mattress Co., Toronto, subsidiary of **L. A. Young Spring & Wire Corp.**, Detroit, is considering erection of plant in Leaside, Toronto suburb, to provide production and distribution facilities for both itself and **L. A. Young Industries Ltd.**

Ontario Dept. of Highways has awarded contracts for 26 miles of concrete and bituminous pavements and six bridges in Northern Ontario.

N. B. Dept. of Public Works & Highways has awarded contracts involving total expenditure of $1,425,000 for grading, paving and reconditioning provincial roads, in eleven different projects.

Reported by Engineering & Contract Record:

International Harvester Co. plans to go ahead soon with construction of $200,000 warehouse in Toronto.

Bank of Nova Scotia has awarded contract for construction of $300,000 bank building in Saint John, N.B.

Quebec Dept. of Roads has awarded contract for $2 millions boulevard highway from Montreal to Ste. Anne de Bellevue, one of the major projects in the department's announced programme of new roads and improvements costing $30 millions.

Teck Township, Ont. (Kirkland Lake) is having plans prepared for $217,000 programme of sewer and watermain construction.

Canada Aided By Huge Sale Of Jap Salmon

Criticism of British Deal Helps Canadian Product

TRICK BRANDING

From Our Own Correspondent

LONDON.—Bitter feeling aroused in Great Britain respecting Japanese trade may benefit Canadian exporters to England. The Financial Post is informed. This arises out of the widely-publicized recent sale of 680,000 cases of canned salmon to British importers by Japanese canners. The amount involved is estimated at close to $9 millions.

The group in London which controls the Japanese imports buys virtually the entire Japanese export pack each year. The particular sale just put through is quite routine but may have been hurried because of circumstances this year.

The story of Japanese salmon in the British market is mixed up with deceptive markings, low price, improper classification. With Canadian salmon advertising now in full swing and sales promotion men calling on the retailers, the controversy over the latest sale is said to have added tremendously to the value of the advertising space being devoted to the Canadian product. Editorial comments in every United Kingdom paper of importance is claimed to be worth thousands of pounds.

Whatever the embarrassment to the British Government, the effect of the whole business is all to the good from the Canadian standpoint and "the hangover will last for years," to quote one observer.

Trade Not Organized

Unfortunately, the methods of selling Canadian salmon will not permit producers to cash in on this situation nearly as well as they might. Canadian shippers sell unlabelled products and out of thousands of various labels on the markets Canadian salmon makes up some of each. There are some labels that are always on Canadian salmon but these are few and always on the quality lines.

The fundamental difficulty is that Canadian canners can't take care of the quality demand and don't meet the price on cheap lines. Thus, it comes about that any given brand may be 75% Japanese and 25% Canadian this year and a different relative quantity next year. Or a line may be all Canadian this year and all Japanese next.

One of the chief objections is that the Japanese hide the country of origin on their label. Under the British Merchandise Marks Act, Japanese salmon must be stamped with the words "Foreign Produce" or be marked "Japan." Favorite trick of Japanese salmon exporters is therefore to label their can with a large "Can." To the Japanese this means "tin" but to the British housewife it suggests "CANada."

Japanese Brands Popular

One way of rectifying the situation would be to sell Canadian salmon exclusively for use with any particular label or Canadian shippers could pool their merchandise under a specific label they control, and advertise this label in competition with the Japanese.

The three best selling brands in Britain, "John West," "Sailor" and "Parsley," are all Japanese. More money is spent to popularize these labels than Canada spends on everything. The whole salmon business is very involved. Any advertising man would condemn it vigorously because it puts the shipper in the hands of his outlets and consumers are completely baffled.

On the other hand, the existing system is the cheap way to sell. Like all Canadian companies, the salmon people seem willing to take what they can get if it doesn't cost anything. The Canadian Government is the only agency that does anything about Canadian salmon but the people most interested leave their fortune to the whim of the trade and the initiative of the broker.

Governments and the Press

By HORACE T. HUNTER,
President, The MacLean Publishing Co.
in Address to Empire Press Union Conference in London, Eng.

Government today is our biggest business enterprise. The efficient management of its affairs is, therefore, a matter of great importance to the taxpayer, who pays the bills.

A prominent newspaper man in Canada once defined news as important information which someone was anxious to keep out of the newspapers. The more valuable the news the greater the desire to suppress it.

Governments dislike criticism. In this respect they do not differ from corporations or individuals. Governments are dependent for their existence on popular approval, and it is not surprising, therefore, that they should resent publication of information which discloses to electors mistakes they may have made of commission or omission.

We can hardly expect governments to give out voluntarily important items of information to which the public are entitled, but the publication of which may prove embarrassing to the Government. In fact, there is a growing tendency for some government departments to have a publicity man who issues press releases which are really government propaganda designed to put the actions of the Government in a favorable light.

It is the business of newspapers, however, to dig out the legitimate matters of interest and importance to readers, and their accomplishment in this connection is very largely the measure of their success.

Freedom of Expression

Parliamentarians in Canada expect newspapers to concede that they are acting in the public interest, but frequently they in turn are unwilling to accord this same sincerity and singleness of purpose to their critics.

I would not claim that all parliamentarians and all newspaper editors are always disinterested, but I would say that the public interest is best served by according to the press freedom of expression within reasonable limitations.

Newspaper publishers should exercise every means in their power to convince statesmen, politicians and especially the people that they are acting in the public interest, because only by maintaining the confidence of the public can they hope to maintain the rights and privileges which they now enjoy. They must check carefully all sources of information and all statements made, especially when they involve the honor and integrity of any person.

Libel actions and notices of libel action may be used to intimidate publishers, but they serve a useful purpose in emphasizing to publishers the necessity of exercising the greatest care in checking statements made in their publications.

What Governments Do

Governments in Canada, as elsewhere, are constantly expanding their functions and the scope of their jurisdiction. They own and operate (incidentally at a loss of $100,000,000 a year) over 50% of the railroad mileage in Canada. They generate and distribute hundreds of thousands of electric horsepower and energy. They own and operate hotels and steamships. They guarantee to the growers minimum prices for wheat which is produced, and under certain circumstances make payments for crops which are destroyed. They control radio broadcasting and sell time and sustaining programmes to advertisers in competition with newspapers and magazines. They even publish a general magazine. They spend annually millions of dollars on roads and highways. They do all these things and engage in many other activities, with, of course, the assent of electors and taxpayers.

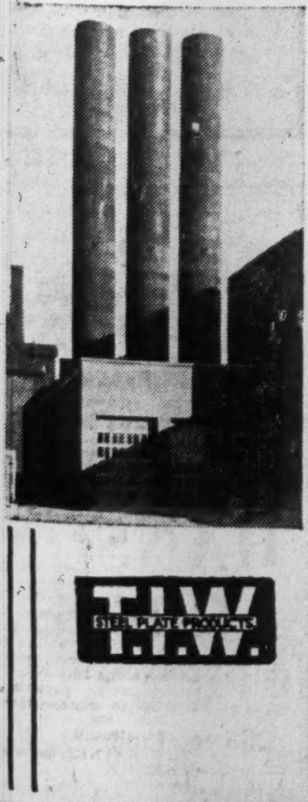
Surely, therefore, with governments spending 25 to 33% of the people's income, there should be a careful scrutiny of all their activities. The private individual has neither the time, the money nor usually the ability to do this. Newspapers and periodicals must be the guardians of the taxpayers' interests.

Their relations with governments become increasingly important as government activities continue to increase.

Being Frank With Press

I believe much can be done to improve relations between the press and the Government. The President of the United States and the Secretary of State have set an excellent example in holding regular press conferences at certain set times during the week. Cabinet ministers can be sure that it is in their interest to hold conferences with the press and to give out detailed information regarding their activities, but the newspapers' most important job will still be to ferret out important and justifiable news which government officials would prefer should not see the light of day.

THREE BIG ONES!



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Canada's Exhibit AT THE WORLD'S FAIR NEW YORK

ONE of the most important of all expositions ever made by the Federal Government to further interest in Canada and to promote goodwill is represented in the Canadian Pavilion at the World's Fair, New York.

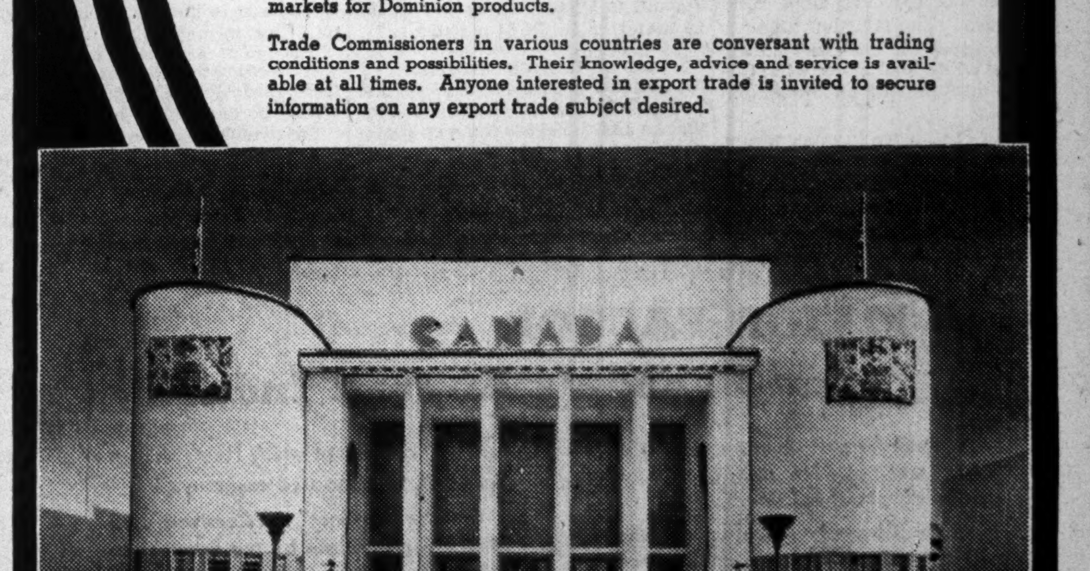
From the United States and from countries abroad millions of people will visit the fair. These impressionable multitudes present an opportunity of immense importance to Canada. They form a vast audience to whom we can show what our Dominion has to offer and to extend goodwill.

Recognizing this opportunity, the Government erected the Canadian Pavilion. Under its spacious roof many exhibits are attractively arrayed. These portray Canada as a world-trading centre. A land of almost unlimited agricultural and natural resources. A country of opportunity for commerce—a delightful haven for holiday seekers.

Before the World's Fair closes, millions will have gained a most favorable impression of Canada and considerable impetus will have been given to trade from other countries.

Through exhibits and other mediums of publicity and personal contact, the Department of Trade and Commerce continually serves Canada by promoting goodwill—increasing present volume of trade and discovering new markets for Dominion products.

Trade Commissioners in various countries are conversant with trading conditions and possibilities. Their knowledge, advice and service is available at all times. Anyone interested in export trade is invited to secure information on any export trade subject desired.



The Canadian Pavilion at the World's Fair, New York. Under the direction of the Department of Trade and Commerce, this handsome stucco-finished structure was designed in Canada and built of Canadian materials.

DEPARTMENT OF TRADE AND COMMERCE
HON. W. D. EULER, M.P., Minister. Ottawa J. G. PARMELEE, Deputy Minister.
34M

Investment Trends

Stock Markets Give Signals For Move Up

Apparent Hope of European Settlement Couples With Business Gains to Bring Decisive Penetration of Higher Levels

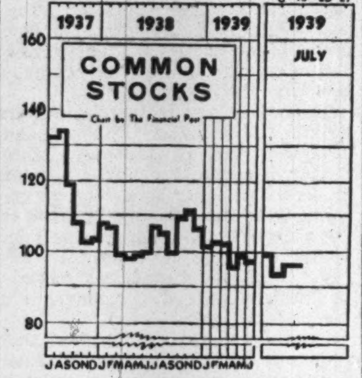
After long weeks of insignificant moves, the stock markets on this continent have finally moved out of their grooves. When the Dow-Jones industrial stock average closed at 142.58 on July 17 and the railroad stock average at 29.53 on July 18, it cheered all followers of the Dow theory who were anxious to see the advance signal given. This is generally regarded as decisive penetration of the previous high levels reached by these two averages in the recovery from the April 8 slump.

In moving up in this fashion the stock market took an upward zig-zag course of a type that usually marks the turning point from a declining market, toward higher levels. It is also significant that this upward move was accompanied by a turnover on the New York exchange that reached 1¾ million shares on July 17 and 1.9 million on the following day, largest business in many weeks. An upward move that is accompanied by rising scale of transactions is a stronger indication than is one that brings little or no improvement in activity.

* * *

Speculate as to Cause

Canadian stock markets up to the close on July 18 had not yet given the same definite signal that a rise was under way. But at both Montreal and Toronto, gains were the order of the day. The industrial index at Toronto was within two points of reaching new highs for the latest recovery move that set in last April. Montreal was somewhat closer although the extent of the recovery from the April lows on that exchange has been less.



Speculation as to what touched off the return toward optimism on the stock markets has been rife. Of course, as pointed out more than once in this column, there has not seemed to be much excuse in business conditions for the complete stagnation that has prevailed in stock market circles. While improvement may not be spectacular it is none the less evident and spread over an encouragingly wide frontier. Commodity prices seem devoid of speculative weakness, tending rather to sink gradually than to reflect any strong urge to buy ahead of actual requirements. But this may be merely a symptom of one marked weakness among commodities and one that is of more than average importance to Canada, the continued drop in grain prices. On the other hand, the metal markets have been much more active, also an important matter to this country.

"where both yield and chance for profit are almost wholly eliminated and the risk of loss begins to loom."

The letter goes on to point out that in 1929 many were confused by the steady down trend of commodity prices from 1926 and failed to see the inflation existing in the stock market. There are already indications, the bulletin suggests, that the current bond market inflation is forcing investments into the field of high-grade common stocks, where prices are by comparison low, and yields attractive. Mackay & Co. stresses stocks of companies possessing financial strength and stability, growth possibilities and earnings and dividend records that are indicative of ability to meet changing conditions.

War Fears Disappearing

Most widely held theory of the reason for the return of a better tone to markets is that in some manner a final settlement of differences between the European powers will be achieved. Harold Stanley, president of Morgan, Stanley, New York investment banking firm, recently said there would be no war and his statement was not hedged as to time.

At any rate rumors are widely circulated that some form of settlement is on the way. No official statement is available nor is it known what form of settlement between the European powers will be completed. But even the belief that war can be averted may be enough to start some measure of confidence.

It is still likely that stock markets will be somewhat nervous and easily disturbed. We seem to be in a period of thin markets where the moves are less predictable and more sudden, both in their ups and downs, than was the case prior to the depression of the 1930's. And it must also be pointed out that not enough is known about the real basis for lessening of the war fear to permit complete confidence in the elimination of this seriously disturbing factor. Any advance that starts now will be subject to interruptions and might be stronger if kept to a steady move that keeps closely in tune with actual fluctuations in business sentiment.

* * *

Stocks vs Bonds

There is a broad world movement toward inflation which has so far largely found its way into the bond market, according to Mackay & Co., New York investment firm. This firm, in a recent letter to clients, charts business confidence by velocity of demand deposits in the U. S. banks. As an index of inflation it takes the U. S. Government bond price index. The inflation index is about to move off the chart on the top side while the index of confidence is disappearing off the bottom corner.

Lack of confidence in other means of investment is deemed to have forced bond prices to lofty heights

Vancouver Wants Lower Car Fares

Seeks to Have Contract With B. C. Electric Extended for a Year

From Our Own Correspondent

VANCOUVER.—This city is preparing to fight for a reduction in street car fares and domestic lighting rates, when it carries its case against the British Columbia Power Corp. before the recently established Provincial Public Utilities Board.

In the meantime the city plans to renew the existing contract with B. C. Electric Railway, subsidiary of B. C. Power Corp., provided some moderate fare concessions can be obtained, for one year only. At the conclusion of the temporary contract the major contest for lower fares and rates generally will be undertaken.

The franchise of B. C. Power's subsidiary, British Columbia Electric Railway Co., expired in Nov., 1931. After prolonged negotiations the seven-cent fare basis was continued for three years from the expiration of the old agreement and has since been twice extended, the latest agreement expiring May 8, 1939.

Associated Telephone Declares Dividend

From Our Own Correspondent

MONTREAL. — Associated Telephone and Telegraph Co. has declared a dividend of 49 cents a share on its 7% first preferred stock and 42 cents a share on its $6 first preferred stock. Both dividends are payable on Aug. 15 to shareholders of record Aug. 1.

Similar amounts were paid on May 15. After taking into account the Aug. 15 payment, arrears of dividends on the 7% preferred will amount to $42.63 a share and on the $6 preferred to $36.54 a share.

D.F.S. ISSUES SHARES

Dominion Foundries & Steel has notified the Toronto Stock Exchange that an additional 868 common shares under the employees stock purchasing plan.

Bowater Issue Being Offered

Is Part of Flotation to Acquire Newfoundland Timber

From Our Own Correspondent

MONTREAL.—A public offering of $800,000 of 4½% first mortgage bonds of Bowater's Newfoundland Pulp & Paper Mills is being made by Dominion Securities Corp., Collier, Norris & Henderson Ltd., W. C. Pitfield & Co., and Cornell, MacGillivray Ltd. Offering price is 102 and accrued interest.

Bowater's Newfoundland Pulp & Paper Mills Ltd. is a company formed by Bowater-Lloyd interests to take over the International Power & Paper Company of Newfoundland.

The bonds now being offered do not represent new financing by the company. They form part of $1 million of bonds issued by the company as part payment for about 4,000 sq. miles of timber limits purchased from the receiver of the Reid-Newfoundland Co. The principal and largest parcel of limits purchased is known as the Gander Limits.

The bonds are dated Jan. 1, 1939, and are due Jan. 1, 1968. Principal and interest of the bonds are payable in Canadian or United States funds at the option of the holder.

Rank Equally With 5% Bonds

The bonds rank equally with the presently outstanding $4,866,000 principal amount of first mortgage 5% bonds, series of 1928, and $1.5 million principal amount of first mortgage 4½% bonds of the series of 1936, of the International Power & Paper Company of Newfoundland.

The prospectus shows net revenue of the company in 1938 at $1,275,394 as compared with $1,889,556 in 1937. Based on the present capitalization, annual interest requirements on the first mortgage bonds aggregate $354,720, and annual interest requirements on the several issues of mortgage debenture stock aggregate $770,362.

Vancouver Drug Firms May Merge

New Organization Would be Financed by Pemberton & Sons

From Our Own Correspondent

VANCOUVER.—Formation of the third largest drugstore chain in Canada will result from merger of Vancouver Drug Co., headed by Dr. G. H. Worthington, and Cunningham Drug Stores, owned by George T. Cunningham. Both are Vancouver companies, although the former has stores in six different British Columbia centres.

Thirty-six stores are involved altogether, and it is probable that under the consolidation several houses in direct competition will be eliminated, thus effecting important economies.

Dr. Worthington gave Mr. Cunningham an option to buy for approximately $500,000. The new company, which will be financed by Pemberton & Sons in Vancouver, will represent assets of approximately $875,000.

The merger will be finally ratified when holders of 75% of the outstanding preferred shares give their consent.

In place of $385,900 now outstanding in 6½% $100 preference shares of Vancouver Drug it is proposed to have outstanding in the new company an amount of $310,000 in 5½% $50 preference shares. The suggested exchange would be part consideration in connection with the transaction.

George Cunningham will be president of the new organization, probably to be known as Cunningham-Vancouver Drugs, Ltd., but Dr. Worthington will continue to act as a director.

Dominion Alloy Steel Completes Reorganization

An operating deficit for the period from Dec. 3, 1938, to June 14, 1939, of $28,005 was reported by Dominion Alloy Steel Corp., at the recent annual meeting. This figure is subject to audit.

Approval of the action of directors in borrowing $7,500 on the security of a voting charge defensive and repayable in six months at 3% interest was given by stockholders. Authority was also given to the directors to arrange to borrow up to $100,000 on a first mortgage.

The temporary board of directors was re-elected with the announcement made that a permanent board would be announced before long.

Shareholders at the special meeting also approved the change in capital from $4 par stock to no par value as proposed.

War Resistance of Stocks

Canadian Observer of 1914 Markets Weighs Differences in Outlook Now

Revival of war fears has renewed efforts to appraise effect on the stock market of a war involving Canada. Many attempts draw parallels between 1914 conditions and those of today. But many and great changes have taken place since then.

The appraisal that follows of probable market action under conditions that prevail today, is by a financial analyst who was an active observer of the Canadian market at the time Canada entered the war in 1914. He has continued in close touch with the markets ever since.

A number of attempts have been made to estimate the market effect of war on the Canadian stock exchanges, but the points of difference in the market situations of July, 1914, and today are so great that the arriving at sound conclusions offers difficulties.

On balance it is logical to believe that an outbreak of hostilities in Europe would not result in more than a temporary break from the present price level and that after a short period of adjustment, during which the Canadian stock exchanges will undoubtedly be closed, prices in many directions would begin to rise.

In the first fall that may occur few investors will do any buying and when open trading is resumed it may well be found that buying opportunities at now prevailing prices will not be available. For that reason investors who are holding funds in reserve against the possibility of war should at this time exercise at least part of their buying power.

In a general way the following considerations are important:

1. A general war came as a complete surprise to the markets in 1914 as into the last days of July it was not felt that England would be involved. This time the possibility of war has been plainly in view for many months and it may be assumed that current prices reflect quite fully precautionary selling by nervous investors.

2. The collapse of the Canadian markets in 1914 was due to a considerable extent to the effect of European liquidation of international issues, particularly C.P.R. and Brazilian Traction, which were selling at high prices in July, 1914. C.P.R. (old stock), for example, was quoted in early July at 194, Brazilian at 77½. Both these stocks were widely held on margin in Canadian accounts and the resulting violent break in their prices in international markets forced liquidation of other issues.

By contrast it may be reasoned that C.P.R. (new stock) around 4 and Brazilian Traction around 8, with Canadian speculative interest low in each case, offer little or no menace. Apart from International Nickel it is doubtful if there is in the Montreal list at present any issue whose market movements would be likely to have sharp repercussions here. Nickel at the current price cannot be viewed as an inflated stock and as and when a war stock market would develop, it would probably be a leader.

Less Motive to Liquidate

3. In 1914 the first thought of European investors in North American stocks was to convert their holdings into cash. The fact that there has been heavy investment by Europe in recent years in such stocks as a deliberate precaution against the dangers of war would indicate that the 1914 motive for liquidation does not exist.

4. The internal condition of the Canadian market is incomparably stronger than it was in 1914. For example, although the number of listings is probably two to three times as great as in 1914, and the average daily turnover nearly four times as great, Canadian Chartered banks' loans on securities in April of this year were only $54.4 millions against $68.4 millions in July, 1914. Along with that comparison should be set the further one that deposits of the Canadian public with the chartered banks are now $2,412 millions against $1.018 millions 25 years ago. In other words, the speculative position to be liquidated is relatively small and the buying power under the market vastly greater.

Great Activity

5. After the first shock in 1914—no Toronto business was done into Dec., 1914, and when the Montreal Stock Exchange reopened the following April it was with minimum prices—a period of great speculative activity ensued. This, of course, was based on war orders and the very large profits that were presently being earned by companies in receipt of munitions orders.

Whether the pattern of the market in that respect would be repeated this time is open to doubt because:

(a) There was no thought in the 1915-1918 period, such as exists today, that war might involve a complete overthrow of the economic system as we know it.

(b) Government control of industry has been vastly extended and it may be taken for granted that no exorbitant profits will be available this time from war orders.

Stagnation Unlikely

This time war should not bring any great disturbance to prices or any prolonged period of stagnation such as followed the war crisis of 1914. With past experience in mind, minimum prices will probably be quickly applied until the markets have a chance to adjust themselves. If exorbitant profits will not be allowed volume of business for steel and allied companies should so increase that moderate optimism would be aroused in regard to the prospects of such companies and stock prices would rise.

One distinct possibility is that some of the best stock speculations in the event of war may be quite outside the group which the general public will first be inclined to classify as desirable. Companies supplying food products should benefit by increased volume both in domestic and foreign sales with, in the early part at least, no important restrictions on profiteering.

The lumber trade should be very active because it is almost a certainty that Baltic shipments will be shut off from the U.K. market and demand will converge on supplies from this side. For the same reason the pulp and paper trade should be sharply stimulated as Canada will be called on to make up the shortage in supplies both in the U.K. and the U.S. that would follow any interference with Scandinavian and Finnish shipments.

East. Dairies Deficit Larger

Low Butter Prices Had Adverse Effect on Earnings

From Our Own Correspondent

MONTREAL.—Eastern Dairies reports a net loss of $189,357 in the year ended March 31, 1939, compared with a loss of $101,565 in the previous year.

W. R. Aird, president, reports earnings of the company were adversely affected by the lower prices obtaining for butter during the fall and winter months than for the summer months, when the required butter was purchased. This condition had an adverse effect on earnings of subsidiaries in Ottawa and Winnipeg, particularly in Ottawa where the ratio of butter sales to total sales is greater than in any other city where Eastern Dairies operates.

During the year, prices of powdered milk and other by-products declined. The domestic market was generally unsettled and milk prices were reduced in Oct. and Dec., 1938, and, again in March, 1939. The export market was abnormally low and sales made in that market were at considerably lower prices than in the previous year.

Mr. Aird reports that efforts made by subsidiary companies to improve sales have been vigorous and as a result all subsidiaries show an increase in the volume of sales of fluid and cream.

Details of the financial statement are published elsewhere in this issue.

Rogers-Majestic Earnings Higher

Expenses Cut 30% in First Quarter — Approve Vote Change

Rogers-Majestic Corp., had an operating profit for the three months ended June 30 this year of slightly more than $40,000, before depreciation and income tax. On a similar basis a profit of $4,400 was shown in the corresponding 1938 quarter, J. E. Rogers, president, told shareholders at the recent annual meeting. Mr. Rogers pointed out, however, that the seasonal nature of the radio business made it difficult to estimate earnings very far ahead.

Production is currently being regulated closely with actual sales, Mr. Rogers said, with the hope of reducing the inventory problems at the end of the year. That part of the company's programme which it was hoped would lead to a net profit this year as against last year's deficit.

So far this year Mr. Rogers stated that the management has been able to reduce operating expenses by about 30%. Operations on this scale are said to have been quite successful as illustrated by the improved profit figure.

Class A Shares Vote

Shareholders approved the by-law giving class A shareholders one vote per share and class B shareholders five votes. This gives actual voting control to the class A shareholders who previously had no voice in the company's management.

Elections at the annual meeting confirmed addition to the board of directors some time ago of two members to represent class A shareholders. Officers and directors of the company now are:

Officers—G. Harrison Smith, chairman; J. E. Rogers, president and general manager; Samuel Rogers, secretary; Gordon F. Brooks, comptroller.

Directors—G. Harrison Smith, J. E. Rogers, Samuel Rogers, D. G. MacKenzie, Gordon F. Brooks, B. A. Trestrail, Harry Sedgwick, A. B. Gordon, D. I. McLeod, all of Toronto; Carl Sanders, North Bay.

Fleet Aircraft Stock Offered

Shareholders Subscribe for About 36,000 Shares

From Our Own Correspondent

MONTREAL.—A total of 35,629 shares of an offering of 90,289 shares were taken up by shareholders of Fleet Aircraft Ltd. at $5 a share under rights which expired on July 15.

The balance of 64,371 shares is being offered to the public at market prices by Nesbitt, Thomson & Co.

The total amount of new stock being issued is 100,000 shares. In addition to underwriting the unsubscribed proportion of the 90,289 shares offered to shareholders, Nesbitt, Thomson & Co. took up an additional 9,711 shares. The shares were underwritten by Nesbitt, Thomson at $5 a share in consideration of commission of 50 cents a share on the entire 100,000 shares. Net proceeds to the company will be $450,000. The underwriters are required to pay for 4,371 shares by July 19, 30,000 shares by Aug. 17 and 30,000 by Sept. 15.

Purpose of the issue is to provide funds to complete payment of the cost of enlarging the company's plant and to pay the subscription price for shares of Canadian Associated Aircraft Ltd. Any balance will be used to reduce bank loans or for general corporate purposes.

Ottawa Traction Co. Asks To Surrender Its Charter

From Our Own Correspondent

MONTREAL.—Ottawa Traction Co. has made application to the Secretary of State at Ottawa for the surrender of its charter. Ottawa Traction was a holding company which controlled Ottawa Electric Railway Co. Late in 1937 the company distributed its holdings of Ottawa Electric Railway shares to shareholders.

Special Oil Shipment Rates Are Negotiated by Railways

In their efforts to recapture share of the freight being moved by highway, the Canadian Pacific and the Canadian National railways have been extending the system of agreed charges to shippers who give the railroads all of their freight in certain classifications for specified periods.

Latest move is the application to the Board of Transport Commissioners for an agreed charge between the two railroads, Imperial Oil Ltd. and McColl-Frontenac Oil Co. to apply on movement of petroleum products from Calgary to stations in Alberta and Saskatchewan. The new rates would apply to all stations within a radius of 270 miles of Calgary. The agreed charge ranges from five cents per 100 lb. for the first 20 miles up to 46 cents per 100 lb. for 270 miles.

Oil company officials tell The Financial Post that this will mean quite important savings in freight costs over previous rates or highway transportation. Although only the two companies mentioned have come into the Alberta and Saskatchewan proposal, it is open to all oil companies. The rails feel that they have already given all the concessions possible for the balance of Saskatchewan in reducing the rate on shipment of crude oil from Turner Valley to Regina some time ago.

A recent issue of the Canada Gazette contained notice of the establishment of agreed charges for shipment of petroleum products in carloads from refineries and marine terminals in Ontario or Hull, Que. to other points in Ontario and to Hull.

Six Companies

The six companies entering into the Ontario agreement are: British-American Oil Co.; Canadian Oil Companies; Cities Service Oil Co.; Imperial Oil; McColl-Frontenac Oil Co.; and Shell Oil. Other oil companies could also come into the Ontario scheme.

A provision of the Ontario agreement is that tank trucks with capacity of less than 1,200 gals. are exempt. Tank trucks with capacity greater than 1,200 gals. are restricted to distances not to exceed 25 miles.

The Ontario agreements will not become effective until a period of waiting to allow objections from any interested parties. If objection is raised, a hearing is granted by the Board of Transport Commissioners but otherwise the rates go into effect to apply for a year with a provision for extension. The Board must be satisfied that no discrimination or hardship will result.

This is not the first instance of agreed charges being used by the rails in an effort to get a larger share of freight. A contract between the rails and Gair Co. (Canada) for shipment of paper boxes from Toronto or Montreal to Edmonton has been in effect for some months. The Manitoba Co-operative Poultry Marketing Association obtained a contract that was made effective a short time ago.

PARAMOUNT OSHAWA THEATRES

Paramount Oshawa Theatres Ltd. has obtained supplementary letters patent from Ontario decreasing the capital of the company from $210,000 to $10,000. The decrease is effected by cancelling 750 unissued 7% preference shares of $100 par, by cancelling the 1,250 preference shares called for redemption June 30, 1939. Capital of the company is increased $72,500 by creating 625 shares of 5% cumulative redeemable preference shares of $100 par.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.0	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
Weekly Figures:												
July 6	112.8	11.3	72.5	149.0	56.4	180.4	122.6	123.7	58.3	84.8	42.1	94.0
July 13	115.5	11.5	75.4	154.3	57.5	181.1	123.6	126.5	58.8	85.2	42.3	95.9

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
July 18	114.01	122.16	89.50	28.96
July 17	112.80	121.98	89.28	28.75
July 15	111.09	121.18	87.63	28.19
July 14	111.40	120.98	87.74	28.29
July 13	111.81	121.23	88.20	28.22
July 12	111.98	121.25	88.31	28.07
Month ago	111.64	122.09	86.82	29.38
Year ago	124.85	119.46	94.91	36.47
High, 1939	125.82	128.95	101.27	45.00
Low, 1939	102.52	109.85	80.75	27.66

Montreal Stock Exchange Averages

	10 Utl.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
July 18	65.9	73.4	70.9	73.34	112.39
July 17	65.6	72.1	69.6	71.26	110.72
July 15	64.8	70.4	68.5	66.76	110.68
July 14	65.9	70.5	69.0	65.87	111.12
July 13	65.4	71.2	69.3	67.88	111.61
July 12	65.7	70.9	69.2	68.24	111.07
Month ago	65.8	72.0	69.9	68.36	110.87
Year ago	66.8	86.0	79.6	138.60	120.64
High, 1939	70.1	85.0	79.1	119.77	126.48
Low, 1939	60.4	66.5	65.4	62.00	103.86

A MAJOR FACTOR in Canada's Aircraft Industry

● Fleet Aircraft Limited operates one of the most modern and best equipped aircraft plants in Canada.

● The Company manufactures and sells Fleet trainers and twin-engine transport planes, and holds Canadian distribution rights for Waco aircraft. Work has already commenced in the Company's plant on the manufacture of component parts for planes to be assembled for the British Government by Canadian Associated Aircraft, Limited, of which Fleet Aircraft Limited is an associated company.

● The "Fleet Trainer" is extensively used for training purposes by the Royal Canadian Air Force, and by the air forces of approximately 20 other countries.

● Today, the Company has on its books contracts amounting to approximately $1,800,000, with encouraging prospects for future business.

Full descriptive circular on request.

NESBITT, THOMSON & COMPANY LIMITED
38 King Street West, Toronto
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Province of New Brunswick
3½% Bonds, due June 15th, 1956

During the past two fiscal years, New Brunswick has reported a surplus of ordinary revenue over ordinary expenditure.

The Province's programme of highway improvement is not only of importance to its growing tourist trade and general business activities, but also has justified itself through the large increase in gasoline tax revenue to the Province.

Price: 98.75 and interest, yielding 3.60%

Descriptive circular forwarded upon request.

Wood, Gundy & Company Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Market Opinions

Opinion on the stock market this week prepared the way for the move that actually took place when stocks broke out of the narrow range of movement prevailing for some weeks.

The Annalist, New York — "The market's ability to hold its gain following the advance of the first week in July and the further progress it has been able to make are encouraging developments. . . . It is true that the volume of trading has been rather light on this rebound, but this is often the case in the first part of a recovery from a decline.

"The situation continues to depend largely upon the developments in Europe. In the absence of an increase of international tension, the favorable nature of the domestic situation from a financial standpoint may be expected to produce a further rise in stock prices some time between now and the end of the third quarter."

Stock Exchange Gazette, London (July 8) — "While the employment figures and the railway traffic tell part of the tale of industrial activity throughout the country, the Stock Exchange remains in a state of nerves. . . . One explanation of the fact that the Stock Exchange tone does not represent the state of mind of the public is that the general public is taking so little notice of the Stock Exchange, and speculative dealings are mainly in the hands of professional dealers who have been harshly treated by fate for the last two years and cannot afford to run risks. The result is that we see unduly sharp movements either way, which latterly have been downward."

Barron's, New York (The Trader) — "In the past, a strong consumer goods economy, like that of the present, has later led to revival in capital goods, and a financing market, such as appears to be in the making, has preceded a broad and rising stock market. High-grade bonds are at a record peak and returns on cash accounts, both commercial and savings, are dropping the country over. No factor, then, save the fear of war, which has been twice discounted, i.e. September of last year and April of this year, exists to warrant wholesale liquidation of equities.

"Rising stock prices, so unless the current advance—which has significantly topped the level obtained by the last burst of activity in late May—is quickly erased, the prospects of further market improvement, however slow and tedious, remain undimmed."

* * *

Barron's New York (The Dow Theorist) — "The last major trend indication was the bear market signal of March 31, which has not been reversed. The last secondary trend indication was down, late in June, and it has not been reversed. If the averages should rise above the highs of 28.45 and 140.14, the uptrend indication would be the strongest one given by the averages since last November. Conversely, a decline below 25.85 and 130.05 would mark resumption of the down trend."

* * *

Brookmire Counselor, New York — "The sharp and active advance in the stock market in the past week was reminiscent of last year's rise; and it was scarcely surprising, in view of the relatively quiet foreign situation, and of business progress that has been made. If the bulk of the industrial gains remain to be reflected by the market and that still further recovery is in prospect, conditions favor a rising trend in prices. Portfolios should continue fully invested."

* * *

The Economist, London (July 8) — "There is, in fact, no market trend at present. Price movements are skittish, and the major motive force of a normal deal in sub-normal markets is capable of producing disconcertingly sharp movements in prices. Possibly the feature of greatest consequence to the market was the appearance of new scrips in mid-week. Here is proof that even tactless timing of new issues cannot completely negative the influence of accumulating investment support. An impression of doubtful calm has succeeded a phase of active political disquiet at the end of last week. While it continues sub-normal, for if there is no immediate incentive to sell, there is hardly any to buy."

Investment Notes

Walkerville Brewery — It is understood that the company is deferring the dividend ordinarily paid around the middle of this month. Last year's earnings were equivalent to only seven cents a share, while dividend payments were resumed in Jan., 1938, at the quarterly rate of 2½ cents a share.

* * *

C. P. R.—Signs of ability to raise revenues above last year's levels, apparent for the past couple of months, should be accelerated when marketings of the indicated large western Canadian wheat crop starts in about a month. Last year's gains in September and October were large enough to offset the losses in the first half. This year the company ends the first six months with net earnings close to double those of the corresponding period a year ago. Common stock at around $4½ is still quoted not much above the all-time low of $3½ reached last April.

* * *

Dominion & Anglo—This investment trust in the year ended April 30, 1939, further reduced proportion of bonds and debentures, bank shares and cash in its portfolio adding to preference and common shares. Of its holdings, 74% are in Canada, a reduction of 5.7% during the year, and 19% in the U. S., a gain of 6.2%. South American holdings are reduced from 6.4% to 5.8% of the total. Classification according to industries has varied over the past three years as follows:

Investment Classification
As at April 30

	1939 %	1938 %	1937 %
Cash & call loans	3.3	10.2	10.7
Can. govt. & municip.	0.0	0.0	0.0
Foreign govt.	0.0	0.3	0.6
Banks & trust	3.7	5.8	2.7
Financial trusts	7.5	4.7	6.7
Foodstuffs	6.3	6.5	6.4
Household prod. & supp.	0.0	0.0	0.0
Manufacturing	25.5	14.5	19.1
Merchandising	0.3	1.1	0.7
Milling & grain	0.0	0.0	0.0
Mining & smelting	22.8	22.8	18.2
Pulp & paper	8.9	10.6	15.3
Oil	4.4	5.2	5.3
Railways & steamship	0.4	0.4	1.1
Real estate bonds	0.2	0.0	0.7
Utilities	14.1	15.3	10.4
Miscellaneous	2.6	2.6	2.1

* * *

S. E. C. reports security dealings pertaining to the following stocks in which there is Canadian interest:

Canada Dry—J. M. Mathes, officer holds no shares directly but through Jarumaha & Co., in which proportionate interest is not shown, acquired 2,900 shares, holding that amount. P. D. Saylor, director, increased common holdings 344 shares to 10,800.

Fanny Farmer—J. D. Hayes, officer, increased holdings by 100 shares to 800.

Robert Gair—G. E. Dyke, officer and director holds 100 common and received 67 preferred as compensation, holding 233.

International Nickel—Lord Catto of Cairncatto, London, director, held 200 common shares in the June, 1939, period.

Standard Paving & Materials

Supplementary letters patent have been issued to Standard Paving & Materials confirming the capital reorganization recently approved by shareholders and which received court sanction on June 16, 1939.

HUDSON BAY MINING AND SMELTING

A new analysis of this Company, which is second in zinc, third in copper among Canadian producers of base metals, is available on request.

Ask for analysis P2

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Position Wanted

PRODUCTION MANAGER IN PAPER Mill at present engaged desires change for better opportunities, would consider an association with manufacturer or converter where a knowledge of paper would be of some value, paper mills not excepted, broad practical experience and intimate knowledge of office routine and claims investigator. Will arrange direct references and interview if desired. Box No. 149, The Financial Post, Toronto, Ont.

Position Wanted

WOMAN EXECUTIVE, FIFTEEN years unusual business experience in Credit, Research, Advertising, B. A. degree majoring in Psychology, Economics, ex-officio editor of New York City woman's club paper, the "Reflector," much travelled, interested in opening for Social Secretary or in specialized office position anywhere in Canada. Box 162, The Financial Post, Toronto, Ont.

Young Man Wanted

CLERICAL OPENING IN HEAD OFFICE Agency Department of Life Insurance Company outside Toronto for young man with insurance experience preferably as cashier or in field. As opportunity will eventually lead to agency officer's position, applicant must have educational background and ability to edit agency papers and prepare literature. Excellent chance for young man, but must have qualifications. Apply Box 160, The Financial Post, Toronto, Ont.

Bond Sales

Treasury Bills

Yield of Dominion of Canada treasury bills again declined with the sale of $50 millions, dated July 13 and maturing Oct. 13. Average discount price of accepted bids was 99.85457 and the average yield was 0.584%. This compares with an average discount of 99.84962 in the previous issue, with an average yield of 0.604%. Amount of bills outstanding remains unchanged at $155 millions.

* * *

Teck Twp.

Wood, Gundy & Co. has purchased $278,000 of 4% and 4½% installment debentures of Teck Township, Ont. The 4% issue, totalling $243,328, matures in 10 installments and the 4½% bonds in five installments. This represents a cost basis to the town of 3.57%.

Following is a list of bids submitted:

Wood, Gundy & Co.	102.19
Dominion Securities; Bell, Gouinlock & Co.	102.03
Harris, Ramsay & Co.; Burns Bros. & Denton	101.80
Imperial Bank	101.553
Harris, MacKeen & Goss	101.30
Dyment, Anderson & Co.; Cochran, Murray & Co.	100.71
Fairclough & Co.; Harrison & Co.	100.51
McLeod, Young & Weir; J. L. Graham & Co.	100.275
Mills, Spence & Co.	100.06

Bond Tenders

4 p.m., July 25, Sch. Trustees of Arvida, P.Q.—$68,000, 4% dated June 1, 1939, redeemable serially from June 1, 1941, to June 1, 1959. W. C. Scott, sec.-treas.

8 p.m., July 24, Catholic Sch. Com. of Mount Royal, P.Q.—$42,600, 4% dated June 1, 1939. M. L. Roy, sec.-treas.

5 p.m., July 24, Town of Beloeil, P.Q.—$13,000, 3½% or 4% dated Mar. 1, 1939, redeemable from Mar. 1, 1940, to Mar. 1, 1959, for construction of sewer drain; $22,000, 3½ or 4% dated May 1, 1939, redeemable serially from May 1, 1940, to May 1, 1959, for consolidation of debt, construction of electric line and improvement of waterworks system. A. M. Cormier, sec.-treas.

10 a.m., July 24, Sherbrooke, P.Q.—$200,000, 3½% dated July 1, 1939, maturing in series from July 1, 1940, to July 1, 1955. Ant. Deslauriers, clerk.

Noon, July 20, Township of Ancaster—$2,398, 4% 10-year debentures; $2,012, 4% 15-year for installation of water mains. E. E. Lyons, clerk and treas.

5 p.m., Aug. 5, Mun. Parish of Saint Joseph De La Riviere-Des-Prairies, P.Q.—$22,000, 4½%, dated May 1, 1939, redeemable serially 1940 to 1961. Louis J. Pare, sec.-treas.

5 p.m., Aug. 7, Victoriaville, P.Q.—$11,000, 3½%, dated July 1, 1939, redeemable in series from July 1, 1940, to July 1, 1949. Philippe Marchand, clerk.

July 24, Kelowna, B.C.—$65,000, 3¾%, 20 installment bonds for hospital equipment.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1 '40	105
Can. Nor. Pwr. .	†5%	1953	Aug. 1	101½
Dom. Tele. Secs.	‡5½%	1978	Aug. 2	100
Dom. Textile	4½%	1955	Sept. 1	105
Steel of Can. ...	6%	1940	Aug. 1	▲
Para. Pictures ..	°6%	1955	July 31	100
Ont. Pwr. of Niag. Falls	5%	1943	Aug. 15	■
Brit. Amer. Oil..	•4%	1946	Sept. 1	100½
Okanagan Tel. ..	6%	1953	Sept. 1	102

For sinking fund purposes: *All outstanding balance. †$452,500. ‡$4,800. °$1,930,000. •$222,000. ▲Tenders have been invited to absorb the amount of $450,253. ■$125,000.

Bond Markets

Bond Markets Listless But Prices Stay Firm

High-grade Issues Illustrate Technical Strength of Market—Grain Issues Feature of Corporation List

Despite midsummer lethargy, prices of high-grade bonds remained firm during the past week, illustrating once again the underlying strength of the market.

More speculative issues profited most from a sudden spirit of optimism that pervaded the stock market. This sudden rally appeared to be in response to the better position of domestic business and the comparative calm in Europe.

A note of restraint was noticeable, however, stressing the apprehension immediately under the surface. Many sources regard a mid-August crisis as inevitable and the Far Eastern situation has not inspired investors to optimism.

Domestic conditions in the U. S. and Canada appear better than they have for some time, and in the U. K. a boom is under way, which would, if the threat of war could be erased, result in a substantial business revival.

* * *

Grain Issues Lively

This betterment in trade, if sustained for any length of time, would test the supposition that high-grade bond prices would be lowered by a renewed demand for funds. On the other side of the question is the fact that, if war eventuates, higher interest rates are also expected.

At the present time, high price levels afford investors an opportunity to shorten maturities in relation to requirements.

In the corporation list, grain obligations attracted most attention, almost entirely because of the prospects for an excellent grain crop in western Canada.

* * *

Cheap Money Resistance

The Stock Exchange Gazette of London, Eng., suggests that the cheap money policy of the British Government is meeting resistance. In this connection it notes that the London County Council has had to revise its ideas as to terms on a new issue. The L.C.C. recently floated a 15-20-year loan in 3½% stock at 96½, which gives a flat yield of 3.62% and a redemption yield of 3.75%. This is a substantial increase from the 1935 level when £10 millions of 2¾% stock was issued at par.

In commenting on this the Stock Exchange Gazette has the following to say:

"It may not yet be time for wreaths and funeral orations at the passing of cheap money, for the Chancellor still asseverates his undying attachment to the cheap money policy. True, money rates are still cheap, but not so ridiculously low as they were when the Treasury completely ruled the roost, and when the leader was to be squeezed like an orange until the pips squeaked. That mood has passed and a more realistic approach is dominant. Even with a managed money market and a market closed to the drift of sterling abroad, the insistence of the borrower is giving the lender a better chance. The reluctance of the lender to take microscopic return is forcing the borrower to return to reason. There is a limit to the investor's complacency at a time of rising taxation; and the prospect in future of even higher taxation and heavier government borrowing, if the present madness which afflicts the world is not replaced by a return to more lucid phases."

* * *

U. K. Pays More

The Stock Exchange Gazette points out the mechanism of cheap money worked very well while there was a rising market for high-class stocks financed by foreign money flowing into London for safety. But now when foreign money in London has been reduced to a minimum, the trend is reversed. If present conditions of financial arrangements persist the British Treasury will pay 50% more for its weekly accommodation than it has in recent years.

This is rather inconvenient as the cost has to fall on the budget which is seriously unbalanced by the armament programme. The alternative is to inflate and aggravate the situation and leave the private investor to face the music some day when money rates are adjusted by supply and demand and the artificial control ends as it inevitably must.

The views of the Stock Exchange Gazette in this connection are of interest to Canadians. Canada has also had, and still has, a cheap money policy. On more than one occasion The Financial Post has suggested that this policy cannot go on indefinitely and that interest rates must eventually rise. The British experience supports this view.

* * *

Call Prices Ignored

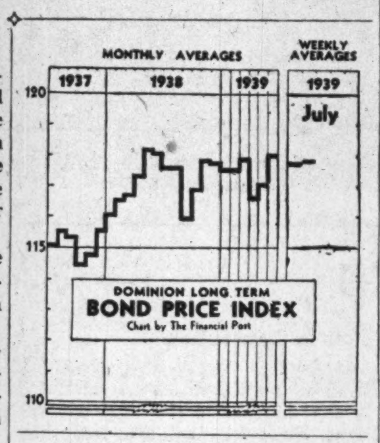
The artificially high price level of first grade bonds was illustrated by a recent incident. It is customary these days for obligations to sell above call price and it apparently provokes so little attention that a brokerage concern sold a client bonds of Canada Northern Power Corp. above call price without drawing it to his notice. The sale was made two days prior to publication of call notice.

The client became disgruntled when the call was made public, doubted the brokerage house's protestations of innocence. The house found it difficult to explain its failure to point out to the client the call price of the bonds.

* * *

Foreign Bondholders

Two changes in the methods of raising funds for the Foreign Bondholders Protective Council Inc., were approved in Washington recently. The proposed changes were to set contributions from bondholders accepting settlements negotiated by the council, on an obligatory basis of $1.25 for every $1,000 bond. Temporary settlements call for 50 cents



on every $1,000 bond. This arrangement replaces a voluntary basis.

Council expenditures for 1938 were reported at $71,906, against $90,449 in 1937. Negotiations were carried out with 22 foreign governments during 1938. A number of successes were reported.

* * *

Easy Money Theory

The theory of easy money is at least in part still valid, The Annalist concludes in a discussion of the efficacy of this method to bring about economic recovery.

"Business recovery is promoted in two ways," it is stated. "The rise in the price of low-grade bonds and in stocks increases purchasing power and so stimulates the consumer goods industries. The lower yields on gilt-edged liens make corporate refunding possible, the consequent saving in interest charges being transferred to stockholders in the form of either increased dividends or increased equity. This gain is offset, of course, by the losses sustained by the holders of refunded issues, but since most owners of gilt-edged securities are institutions, the actual loss in income that would have been spent for consumptive purposes is probably small."

* * *

Bond Index

DOMINION OF CANADA Long-term Index

	Weekly average July 7-13	Preceding week June 30-July 6	Weekly average year ago
Price	118.0	117.7	118.0
Yield	59.9	60.5	62.0

Fleet Aircraft Plans Doubling Working Force

From Our Own Correspondent

MONTREAL.—With a backlog of $1.5 million of business, Fleet Aircraft Co. will double employment and production to cope with unfilled orders, according to a statement issued by W. J. Sanderson, president and general manager. At present, he says, there is enough business on hand to keep the plant operating at capacity for 18 months.

In connection with the additional volume of business on the books, the company is currently offering 90,289 treasury shares to shareholders at $5 a share. A further 9,711 shares have been taken up privately at the same price.

The capital thus being raised, approximately $500,000, is to be used by the company in paying for subscription to the Canadian Associated Aircraft Ltd., the central organization handling British aircraft orders, and for plant expansion at Fort Erie.

Montreal to Sell Bonds To Its Sinking Fund

From Our Own Correspondent

MONTREAL.—The City Council of Montreal has decided to use available cash in the sinking fund to purchase bonds which will be issued to finance the city's share of relief for the current month.

Montreal's share of relief for July will be in the neighborhood of $300,000. This represents 20% of direct relief costs, all administration expenses and the cost of certain items toward which the Dominion and Provincial Governments do not contribute.

Use of the sinking fund to purchase new issues of Montreal bonds does not meet with the approval of Lactance Roberge, city finance director. Recently he told the city council it was bad practice to utilize the sinking fund for such purposes. The sinking fund has available about $750,000 in cash.

Canada Packers Approves Directors' Appointment

Shareholders of Canada Packers Ltd. at the annual meeting authorized directors to proceed with a plan to appoint two new directors. One of these new directors will represent the livestock producers and the other will be the representative of the company's employees.

It will be some time before a plan is finally evolved, but when it has been the directors will pass the necessary by-law giving effect to the increase in the board of directors. It is proposed that the producers will elect their representative and the employees' representative probably will be chosen by the plant relationships committee, which operates at each plant.

NEW EXECUTIVE

W. D. Moffatt has been appointed assistant general manager of Alexander Murray & Co., a subsidiary of Dominion Tar and Chemical Co. Mr. Moffatt has resigned as Montreal manager of the advertising firm of McConnell, Eastman & Co. Ltd., but will continue as vice-president and director of that firm.

Amal. Electric Plan Approved

Exchange Preferred for New Common — Eliminate Deficit

From Our Own Correspondent

MONTREAL. — Preferred and common shareholders have approved the scheme of reorganization of Amalgamated Electric Corp.

Under terms of the plan, existing preferred stock is to be exchanged for new common on the basis of four new common for each preferred share held. Arrears of preferred dividends, amounting to $25.50 a share as on June 30, will be liquidated.

Common shareholders will receive one new share for each five of existing stock held.

One Share Capital

The company will have a capitalization of 100,000 shares no par value, of which 84,420 will be outstanding. Of this number 74,420 will go to the preferred shareholders and 10,000 to the common stockholders.

The plan also provides for elimination of the deficit, which at Dec. 31, 1938, amounted to $352,515.

Southern Canada Earnings Increase

June Results Show Improvement in Gross and Net Earnings

From Our Own Correspondent

MONTREAL.—June earnings of Southern Canada Power Co. show improvement over the same month last year. Gross earnings were $11,753 higher and net earnings were up $4,622.

For the first nine months of the current fiscal year gross earnings show an increase of $31,284. Operating expenses for the same period were $41,781 higher so that net earnings show a reduction of $10,497. Interest, depreciation, amortization and dividends took $4,398 more than in the first nine months of 1937-38 so that surplus amounted to only $25,993, a decline of $14,895.

In each of the past three months both gross and net earnings of the company have been ahead of the corresponding month last year. If this trend continues during the remaining quarter of the fiscal year profits should approximate the 1937-38 figure when 90 cents a share was earned on the common stock.

Month of June	1939	1938
Gross earnings	$201,852	$190,099
Operating exps.	88,709	81,578
Net earnings	113,143	108,521
Less: Int., deprec., amort. & divds.	109,904	108,515
Surplus	3,239	6
Nine Months Ended June 30		
Gross earnings	1,797,122	1,765,838
Operating exps.	777,668	735,887
Net earnings	1,019,454	1,029,951
Less: Int., deprec., amort. & divds.	993,461	989,063
Surplus	25,993	40,888

Investment Foundation Reports Share Equity

From Our Own Correspondent

MONTREAL.—Investment Foundation Ltd. reports a liquidating value based on market prices at June 30, 1939, of $52.50 a share for its cumulative convertible preferred stock and $9 a share for its common stock.

With the payment of a regular quarterly dividend of 75 cents a share, plus 25 cents on account of arrears on July 15, arrears of dividends on the preferred stock were reduced to $2.50 a share.

Louisiana Land Co. Acquires More Shares

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. advised Montreal Stock Exchange that during last June the corporation reacquired 2,300 shares of its capital stock. This brought the total number of shares of the total stock held by the corporation as at June 20 to 32,565.

Cons. Div. Stan. Securities Preferred Equity $18.50

From Our Own Correspondent

MONTREAL.—Consolidated Diversified Standard Securities advise the Montreal Curb Market that on June 30, 1939, the net asset value of the company's preferred stock amounted to $18.50 a share. This compares with a net asset value of $20.36 a share on May 31, 1939.

Can. Investment Fund To Pay 4-cent Dividend

From Our Own Correspondent

MONTREAL.—The board of directors of Canadian Investment Fund have declared a quarterly dividend of 4c. a share on the special and ordinary shares of the company, payable Aug. 1, 1939, to shareholders of record July 15, 1939.

Dominion Has Less Revenue

First Quarter Results Out of Line With Budget Forecast

The Dominion Government statement of receipts and disbursements for the first quarter of the current fiscal year indicates the budget forecast of net results may not be achieved.

Unless revenue collections improve, the budget forecast of receipts of $490 millions in 1939-40 will not be achieved. In the month of June, receipts were 2.2 millions lower than in the same month last year and receipts for the first quarter were $12.2 millions lower. The budget estimated revenue this year would be only $11.6 millions lower than in 1938-39.

Expenditures of almost every department of the Government were higher in the first quarter of the year than in the same period last year. Total disbursements for the period were up $30 millions. This is largely due to an increase of $21.2 millions in the provision for the C.N.R. deficit. In the latter part of the year this item should be smaller than last year.

Ordinary expenditures are $3.8 millions higher. Capital expenditures, largely as a result of the outlay on national defense, show an increase of $3.2 milions. Relief works accounted for the major part of the increase of $2.7 millions in the outlay for relief.

On the basis of results in the first three months of the year the deficit for 1939-40, exclusive of expenditures on wheat, may be in excess of the $60 millions forecast by Hon. C. A. Dunning in his budget speech. Inclusive of expenditures on wheat, deficit will probably exceed $100 millions.

Revenue and Expenditures

Month of June	1939	1938	Change
Receipts:	—000s of $—		
Customs duty ...	6,952	6,976	—24
Excise duty	4,766	4,574	+192
Excise, sales tax.	12,199	14,215	—2,016
Income tax	4,142	4,747	—505
Post office	2,702	2,401	+301
Sundry	1,122	1,092	+30
Special	13	139	—126
Total	31,896	34,144	—2,248
Disbursements:			
Ordinary	26,191	23,177	+3,014
Capital	2,008	264	+1,744
Relief	4,638	3,150	+1,488
Govt. enterprises	16,134	7,192	+8,942
Write-offs	.....	133	—133
Total	48,971	33,916	+15,055
Three Months Ended June 30	1939	1938	Change
Receipts:	—000s of $—		
Customs duty ..	20,096	20,176	—80
Excise duty	13,197	13,015	+182
Excise, sales tax.	29,386	34,415	—5,029
Income tax	93,710	101,391	—7,681
Post office	7,905	7,601	+304
Sundry	2,928	2,685	+243
Special	22	235	—213
Total	167,244	179,518	—12,274
Disbursements:			
Ordinary	90,990	87,161	+3,829
Capital	2,562	323	+2,239
Relief	6,009	3,238	+2,771
Govt. enterprises	28,628	7,259	+21,369
Write-offs	......	133	—133
Total	128,189	98,114	+30,075

National Breweries Sales Lower This Year

From Our Own Correspondent

MONTREAL.—National Breweries sales for the first half of 1939 are reported below the comparable period a year ago.

The unsatisfactory results are attributed largely to new regulations enforced through the Quebec Liquor Commission and even if there is some moderation in these regulations before the year end, expectations now are that full year sales will run substantially lower than in 1938.

Increase in the price of bottled beer resulting from the new system of taxation coupled with a sharp drop in sales to cafes and beer gardens, most of which have been unable to retain business on the basis of selling only bottled beer with a 35-cent meal, have all had an adverse influence.

Montreal Trust Co. Elects Foster to Board

From Our Own Correspondent

MONTREAL.—George B. Foster, K.C., of Montreal, has been elected to the board of directors of the Montreal Trust Co. It is also announced that John S. Norris has been electec a member of the executive committee. Mr. Foster is a director of Canada and Dominion Sugar Co. and other corporations, while Mr. Norris is well known as president of Montreal Light, Heat and Power Consolidated.

Ogilvie Flour Mills to Work on Montreal Mill

From Our Own Correspondent

MONTREAL.—Ogilvie Flour Mills Co. plan improvements to its Montreal mill buildings and to that end has asked for tenders. Anglin Norcross, Quebec, Ltd., Atlas Construction Co., E.G.M. Cape & Co., Foundation Company of Canada and A. Janin Building Co. are figuring on the job.

Capital Wire Cloth Sales on Larger Basis

From Our Own Correspondent

MONTREAL.—Capital Wire Cloth Manufacturing Co. reports that sales for the first half of the current year were moderately improved over the like period a year ago. Indications are that returns for the full year, both as to volume and dollar profit, will exceed those of 1938.

Dominion Bridge Co. Secures Toronto Contract

From Our Own Correspondent

MONTREAL. — Dominion Bridge Co. has been awarded the subcontract for the structural steel to and including the third floor of the new Bank of Montreal office building in Toronto.

The estimated cost of foundation, including $15,000 for excavating, is about $200,000.

Laura Secord Earnings Higher for Nine Months

Net earnings of Laura Secord Candy Shops for the three months ended June 30 amounted to $46,348, against $46,092 for the corresponding period of 1938.

In the nine months' period ended June 30, net profit totalled $176,592, compared with $163,099 in the same period of the previous year.

AUTO SALES DIRECTOR

J. E. Johnson (above) has been appointed director of sales for General Motors Products of Canada Ltd. Appointment of Mr. Johnson, formerly assistant general sales manager for Chevrolet division of General Motors Corp., the parent United States organization, is one of a number of executive changes announced by H. J. Carmichael, vice-president and general manager of General Motors of Canada. C. E. McTavish, hitherto general sales manager of General Motors Products of Canada, is to be director of the parts and service departments.

Quebec Registers $30 Millions Issue

Offering to be Made in United States Early in August

From Our Own Correspondent

MONTREAL.—Public offering of $30 millions of Province of Quebec bonds in the United States is to be made early in August.

Registration statement for the issue has been filed with the Securities and Exchange Commission in Washington. Proceeds from the sale of the bonds are to be applied to reimburse the consolidated revenue fund of the province for past expenditures, including roads, relief and public works.

The offering will consist of $20 millions of 3% serial bonds, due 1940-59, and $10 millions of 3¼% bonds due July 15, 1953. The prices at which the bonds will be offered and the underwriting discounts and commissions will be filed in an amendment to the registration statement.

The 3¼% bonds are redeemable on or after July 15, 1951, at par. The 3% serial bonds are not redeemable prior to maturity.

Underwriters of the issue are a syndicate of four Canadian and four U. S. investment firms. They are: First Boston Corp.; Smith, Barney & Co.; Harriman, Ripley & Co.; A. E. Ames & Co., Inc.; Dominion Securities Corp.; Wood, Gundy & Co., Inc., all with offices in New York; and McLeod, Young, Weir & Co. Ltd. of Toronto.

Hydro Loads Up For June

Niagara System Primary Consumption Increases 5.5%

Primary load of the Niagara system of the Ontario Hydro-Electric Power Commission, based on maximum 20-minute peak, increased 5.5% in June over the corresponding month of 1938.

This load represents the greatest part of the Commission's output. In the last report of the Commission, it was stated that in the Niagara system about four fifths of the primary load represents energy supplied municipal utilities. The remainder goes to large industrial consumers, supplied direct by the Commission, principally electro-chemical and electro-metallurgical industries along the Niagara River.

The Niagara load is thus a barometer of general conditions throughout southern Ontario, which is the largest industrial area in the province.

Total primary load of the five systems in the Commission increased 9.1%, not one showing a decrease. Largest improvement in consumption was in the Northern Ontario Properties, where load increased 25.3% over the same month last year.

The combined primary and secondary power load of all systems was up 14%. The Niagara system showed 14% increase in consumption on this basis. The Northern Ontario Properties again showed the largest gain, amounting to 20.2%.

Ontario Hydro June Loads

	June 1939	June 1938	Incr. %
Primary Loads:	—h.p.—		
Niagara System	1,013,137	960,456	5.5
Eastern Ont. ...	135,353	120,623	12.2
Georgian Bay ..	36,419	30,550	19.2
Thunder Bay ..	90,878	77,064	17.9
Northern Ont. ..	164,660	131,435	25.3
Total	1,440,447	1,320,128	9.1
Primary and Secondary Loads:			
Niagara	1,279,357	1,121,984	14.0
Eastern Ont. ...	166,747	151,736	9.9
Georgian Bay ..	36,419	30,550	19.2
Thunder Bay ..	131,206	121,059	8.4
Northern Ont. ..	201,389	167,494	20.2
Total	1,815,118	1,592,823	14.0

Paramount Pictures Redeems Debentures

Paramount Pictures is redeeming the remaining balance of its 6% debentures at par plus accrued interest on July 31, 1939. It is understood that arrangements are being made to provide funds required through a term loan at 3½% interest.

At the end of last year the company had $9.4 millions of the 6% debentures outstanding but has considerably reduced this amount during the current year through funds obtained from banks at a 3½% basis.

Although final figures for the second quarter of this year are not yet available, it is understood that profits are well ahead of the same period of 1938.

Ste. Cath. Improvement Defers Bond Interest

From Our Own Correspondent

MONTREAL.—Ste. Catherine Improvement Co., which owns the Automotive Sales Building in this city, failed to meet its bond interest payment on July 1.

Under a reorganization plan approved in 1937 the first mortgage bonds of the company bear interest at the rate of 4%, as against 6½% previously. Earnings, however, are not sufficient to permit bond interest payments even at this reduced rate.

New York Stock Exchange To Have Special Study

Alarmed by the continued downward tendency in activity on the New York Stock Exchange, largest and usually leader on this continent, President W. McC. Martin, Jr., has announced appointment of an independent board to enquire into certain moves suggested by the Securities and Exchange Commission and other matters pertaining to the stock exchange business.

Chief matter concerning which more information is desired is the Commission's proposals for a "brokerage bank." Aim of this proposed bank is the safety of customers' capital. Reports from New York indicate that such a bank would hold all customers' cash and securities. It would handle all securities deposited as collateral, securities left for safekeeping and cash representing free credit balances. It would, on instruction from brokers, arrange for margin loans with customers of the brokerage firms, make and receive payments and deliveries directly to and from customers.

These are functions now performed by brokers and the proposed institution of such a sweeping change is naturally causing some concern. When coupled with the continued lack of sufficient volume of trading to enable either the exchange itself or its members to make a profit, the move to have an independent investigation of what can be done to improve conditions is readily understood. The S.E.C. has agreed not to press its plan for the brokerage banks while this study is on.

Members of the committee, who are empowered to engage such technical assistance as considered necessary, are: Carle C. Conway, chairman of Continental Can Co.; Roswell Magill, former under-secretary of the treasury; W. Randolph Burgess, formerly vice-president of the Federal Reserve Bank of New York and now vice-chairman of the National City Bank of New York; Walter J. Cummings, chairman of the Continental Illinois National Bank & Trust Co., Chicago. Mr. Conway headed the special committee which formulated the reorganization programme of the New York Stock Exchange which has since been largely put into effect.

Bank of Montreal Buys Dominion Textile Bonds

From Our Own Correspondent

MONTREAL.—There will be no public offering of the $4.5 millions refunding issue of bonds of the Dominion Textile Co. The entire issue has been purchased by the Bank of Montreal.

The issue consists of $1 million 10-year 2¾% serial bonds and $3.5 millions 20-year 3½% bonds.

Purpose of the issue is to provide funds for redemption of the company's presently outstanding 4½% first mortgage sinking fund bonds which are callable at 105. There were $4,317,000 of these bonds outstanding at March 31 last. They will be redeemed Sept. 1.

Montreal Seeks Aid For Works Programme

From Our Own Correspondent

MONTREAL.—The City of Montreal is seeking assistance from the Dominion and Quebec governments for a public works programme costing $9,654,102 as an unemployment aid.

The city is willing to spend $3,654,102, representing 37.85% of the total, if the Dominion and Quebec governments will put up the remaining 62.12%, or $6 millions.

The programme as outlined includes paving of streets, construction of sidewalks, parks and playgrounds, sewers, erection of a market in the east end and repairs to various civic buildings.

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TORONTO, JULY 22, 1939

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

A Non-political Board For Defense Buying

A HAPPY aftermath of the exposure of the unsavory Bren machine gun contract is the appointment of R. C. Vaughan as temporary chairman of the new national Defense Purchasing Board for Canada. It is a choice to inspire confidence. Mr. Vaughan is a man whose ability and probity are not to be questioned. Prime Minister King has apparently made up his mind that there must be no more scandals in the defense department.

Mr. Vaughan is fortunate to have associated with him another successful industrial administrator in the person of C. W. Sherman; a distinguished French-Canadian business man in the person of C. E. Gravel, and a labor representative, H. B. Chase.

Centralization of Canada's defense purchases in non-political hands is a direct result of the exposure of the incompetence and political manipulation in the department under Minister Ian Mackenzie. The Royal Commissioner who probed into the Bren contract recommended:

"What is plain to me at the end of this long enquiry is this: that if the policy of private manufacture of war munitions and armaments is to be continued in this country . . . the negotiations leading up to, and the making of contracts between the Government and private manufacturers either for the purchase or production of such munitions or armaments should be put in the hands of an expert advisory group of competent businessmen . . . These persons should constitute a board (which might be known as the 'Defense Purchasing Board')."

The Government took up this recommendation (not without some feeble pretense that this has been its own idea all along) and the new board is the result.

Thus does history repeat itself. Horace T. Hunter, president of the MacLean Publishing Company, testified before the Public Accounts Committee of the House of Commons in Ottawa recently. He appeared in order to outline the circumstances leading up to the publication of the Bren Gun exposé in Maclean's Magazine of September 1 last. He said:

"In Canada in 1915 there was the gravest indignation among officials at Ottawa when criticisms were made of the manner of awarding shell and other contracts in the early stages of the Great War. One result of the criticism was the appointment of the Imperial Munitions Board, an efficient, independent and non-political body. Following its appointment Canadian manufacturers received increasingly large British orders for shells that greatly exceeded the contracts given to them during the period when the Shells Committee was in operation. Another result was the establishment of the War Purchasing Commission. Of this Commission Sir Robert Borden's Memoirs declare that it saved Canada an amount of not less than $50 millions through establishing efficient methods."

Under Mr. Vaughan the new Defense Purchasing Board may be the means of saving Canada another $50 millions in its unhappy but necessary job of making the nation strong against aggression.

Canada is fortunate to have had the Bren gun scandal so early in its rearmament effort. Had the facts of that contract not been laid before the public when they were, there undoubtedly would have been other contracts of similar types with similar contractors. Again the power of the press to bring about necessary reforms in public administration has been abundantly proved.

Money is Being Spent

IN MANY parts of Canada industrial expansion is going on daily without much hullabaloo being raised about it. Men are at work building homes and factories, power plants and highways, mining mills and large buildings.

Here is an example: In its last fiscal year, to October 31 last, The Hydro-Electric Power Commission of Ontario invested nearly $11 millions in new capital assets. Included were new power generating units, new transmission lines, rural power lines, and a variety of other fixed investments.

Any new investment of $11 millions ought to be front page news. Because the developments were continuous and dotted over a wide area Hydro's $11 millions of new capital expenditures attracted little attention.

Elsewhere in Canada new capital is being invested on a substantial scale, including both private and public money. In 1938 the Bell Telephone Co. spent $14 millions on new plant. The C.P.R. increased its investment in rolling stock alone by $11 millions. The C.N.R. capital expenditures were $11 millions net, after retiring equipment and abandoned lines. Shawinigan Water & Power spent $1.6 million.

When these investments have been multiplied threefold or fivefold or tenfold we shall have something between prosperity and a boom. But even in these days, when the immediate outlook is obscured by confidence-shaking news from overseas, Canada is moving ahead.

Mr. Mackenzie's Press Friends

LAST February The Toronto Globe and Mail said that the only complaint about the Bren gun contract came "from political opposition in this country." It spoke of Col. George A. Drew's "obstructive talk," of his "political sniping," in continuing his demand for thorough investigation of the contract.

Now The Globe and Mail says that the new Defense Purchasing Board is "the public's safeguard against arms profiteering, political graft and any recurrence of confidence-shaking affairs such as the Bren gun deal."

Like the Saint John Telegraph-Journal (whose awakening to need of eliminating profiteering in armament business was cited in these columns last week) The Globe and Mail seems to be learning just how "confidence-shaking" an affair the Ian Mackenzie's machine gun contract really was.

The Montreal Gazette, another journalistic supporter of the Minister of National Defense, this week admitted that the Board was the result of the Bren gun probe. "The Government has not forgotten its Bren gun experience," added the Gazette in comment.

Last September, when an inquiry was promised into the Maclean's Magazine charges, the Gazette commented loftily that it would clear the air, "but after all there does not seem to be much clearing to be done." Later it added that, apart from suggestions of improvidence in fixing the terms and conditions of the contract, "the charges affect no matters of vital consequence." Then this year, in comment on the matter, it said "When political issues are involved." Royal Commissions are a waste of time and money.

Now the Gazette lauds the board appointed as a result of the exposé of Mr. Mackenzie's incompetence. And alongside of its editorial it runs a most drastic criticism of the policy of the Department in placing planes orders abroad, which is regarded as a challenge to "real economy."

So the Toronto Globe and Mail, the Saint John Telegraph-Journal and the Montreal Gazette—Mr. Mackenzie's three chief press defenders—are now less enthusiastic toward him than they used to be.

Yes, There'll Be An Election

IS THERE going to be an election this fall? Prime Minister King has not hoisted the signals yet. But let us look at the headlines in the newspapers to see what we can see:

Ilsley Denies "Big Interests" Rule Liberals.
May Start Public Works with Funds from Ottawa.
Gardiner Raps Two New Opposition Groups.
Export Trade Gains Credited by Ottawa to Industrial Growth.
Ottawa Offers Public Works to Ontario Municipalities.
Wheat Bonus Extended to Ontario.
Ottawa Fills Dozen Big Jobs. Another Dozen to Come.
Non-Political Banquet to Honor Mr. King.

Yes, it looks as though there'll be an election soon.

The C. N. R.'s Reign of Terror

A HIGHLY organized system of boycott is being used by the political organization of the Canadian National Railways in an endeavor to prevent open discussion of the railway problem in Canada.

Business executives, who have publicly urged a solution of the railway problem, have received cancellations of orders from Canadian National employees and have not been favored in C.N.R. purchases. In one case, a department store executive made a speech on the railway problem. Shortly after his store was visited by shoppers who tried on suits of clothes, boots, etc., and then (after having put the sales people to a great deal of trouble) remarked in a loud voice, "Oh, by the way, your president is that Mr. Blank who wants to take the bread and butter out of our mouths, isn't he? We'll go somewhere else to do our buying."

Obviously, such episodes are staged for the purpose of terrorizing business men into paying their government railway taxes without a murmur.

Newspapers who ask for action on the railway issue receive notices of cancellation of subscriptions. Typical was a letter received by The Financial Post this week:

"I would appreciate cancellation of my subscription to The Post. You see I am a Canadian National man, consequently the money I receive is Canadian National money. . . ."

Of course, this man is wrong. It is not "Canadian National money" that he receives but the money of shippers supplemented by upwards of $50 millions a year of the taxpayers' money. But that is not the important point.

Those officers of the Canadian National Railways who are more interested in playing politics than in promoting the national welfare and those officers of railway brotherhoods who think they can terrorize business men and newspaper editors, are carrying on a sinister and dangerous campaign from which they must be the ultimate sufferers. The public is growing resentful of their activities. A serious reaction must inevitably set in.

The case for continuance of the present burdensome railway set-up in Canada must indeed be a very weak case if it must be supported by threats and boycotts. The little political clique that runs the C.N.R. as a government superior to the Government may be able to frighten the cabinet and the leaders of the opposition but it cannot defeat the fact that Canada is going broke supporting unnecessary railways and must and will some day call a halt.

The Canadian railway problem must and can be solved. It need not be solved at the expense of railway labor, which is entitled to fair and equitable treatment. But there is no good authority for the assumption that a large measure of consolidation of railway services would cost any present railway workers their jobs. Acceleration of pension plans and normal withdrawals would look after staff reductions and without injustice to anyone. In the long run, labor is always the loser when employing corporations run into the red. A sound railway structure is needed to protect railway labor in Canada.

Profits a Measure of Service

IT IS encouraging evidence of the swing back to calmer economic thinking among the masses of the people when the Daily Star of Toronto runs an article on the social utility of the profit motive in industry.

The writer of the article, Rev. Ernest Thomas, D.D., prominent United Churchman, cites many examples of the benefits accorded to the public by private business firms. Reference is made to the health and social hygiene work of life insurance companies; to the help given by small loan companies to families needing direction in organizing their household budgets; to advice on "Better Buymanship" given by a large corporation.

The curious notion that a gulf separates business and the public is dying. Business is simply the effective organization of the process of supplying the daily needs of man. All parts of the process are interlocked: production, distribution and consumption, and there can be no essential conflict between them.

Business has a social responsibility which all but a handful of businessmen recognize. If business is not constantly preaching that responsibility it is because most businessmen are too busy practising it.

Editorials in Brief

Hon. C. D. Howe and some Honorable Senators seem to be at variance in their views regarding much-touted Railway Co-operation Act of 1933. What they should all be able to agree upon is that since the Act has been completely useless in achieving any important degree of co-operation, some alternate approach to the railway problem is imperative.

* * *

A Pamphlet has come to us from a United States Senator reporting some remarks he made in the House of Representatives. At the top there appears this sentence:

"NOT PRINTED AT PUBLIC EXPENSE"

We hope the day will come when personal and political propaganda of this type will all be required to bear this qualification.

* * *

The Calgary Herald agrees with the Alberta mayor who remarked the other day, "There's nothing here for young people." It adds, "There is little to offer the younger people in the small towns of Alberta."

From time immemorial the small towns have fed the big cities. It is as true in Ontario and Quebec as it is in Alberta. What would the big cities be without the honesty, industry and physical strength that small town life breathes into young men and women before they go forth to conquer the world?

* * *

Deliberations of the Brotherhood of Railway Clerks as reported in a recent issue of Canadian Congress Journal included a statement that:

". . . . . rail mergers and unifications should not be at the expense of labor and where consolidations take place, workers be compensated."

Most rail unions oppose mergers and consolidations out of hand without any reservations. Actually such mergers and consolidations cannot be avoided. Labor unions would be wise to recognize this, as apparently the Railway Clerks do, and to concentrate on the thoroughly proper objective of protecting labor's position when they take place.

* * *

In his cable to The Financial Post last week, Horace T. Hunter said:

"It is essential to the success of Hitler strategy that the democracies should be kept not only guessing but nervous and ill-at-ease. There is a constant attempt to break down the morale of the British people by a 'war on nerves' such as both Germany and Italy have been carrying on for over a year."

The "Battle of Nerves" is definitely part of German strategy. An authoritative letter from a well-informed German is now being circulated in Britain. In part it says:

"During the next few weeks, alarming news will be circulated every day, destined to create the impression that war might break out any day. . . . Hitler is aiming at making businessmen nervous by rendering normal business impossible, so that these people should finally say: 'What nonsense to wage a European war because of Danzig! It would be best to give Danzig back to the Germans, then we shall have peace and be able to do business.'"

Sayings of the Week

"Who is going to revive in this country the spirit of optimism?"—*Sir Edward Beatty.*

"Canada complements the United States in times of emergency."—*Senator Elbert D. Thomas.*

"Canadians have been pronouncedly unsympathetic to those few remaining aspects of the British Empire which represented domination."—*Professor W. A. Mackintosh.*

* * *

"The democratic ideal is the moralized solidarity of the group under the leadership of the citizen who is deemed wisest and best and who can be dismissed."—*Earl Baldwin.*

* * *

"Japan must get out of China, but she cannot be expected to do this unless there is a future for her in the world in general which will enable her to sell her products and support her vast population in reasonable health."—*Sir George Paish.*

* * *

"The British Empire has been united and on the whole kept at peace within itself largely through the symbolism of a common sovereign. The actual power of the King may be slight but his influence in creating a sense of unity is enormous."—*John Foster Dulles.*

—Cartoon by Grassick.

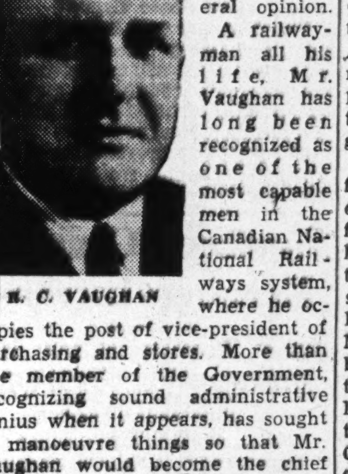
"But not Ferdinand . . . He just sat down quietly and smelled . . . He wouldn't fight and be fierce no matter what they did."

—From 'The Story of Ferdinand.' By Munro Leaf.

Post-Scripts . . . . .

A Crackerjack

Governmental appointments do not always elicit the unstinted praise of businessmen. But when Robert Charles Vaughan (known to his friends as "Charlie," not "Bob") was named as chairman of the Defense Purchasing Board all the comments were favorable. "He's a crackerjack, all right," commented one businessman, and that about sums up the general opinion.



R. C. VAUGHAN

A railwayman all his life, Mr. Vaughan has long been recognized as one of the most capable men in the Canadian National Railways system, where he occupies the post of vice-president of purchasing and stores. More than one member of the Government, recognizing sound administrative genius when it appears, has sought to manoeuvre things so that Mr. Vaughan would become the chief operating official of the railway and in fact when James Y. Murdoch resigned from his directorship in the C.N.R. a few months ago, he left behind the parting suggestion that Mr. Vaughan should be named president.

* * *

The Vaughans are an Irish family resident in Toronto for three generations. R. C. started life as a 15-year-old messenger boy for the C.P.R. The Canadian Pacific early permitted him to escape to the Canadian Northern, when at the age of 20 he became secretary to the third assistant vice-president. In the 36 years that have intervened, the climb up the ladder has been unmarked by anything except the celerity with which it has been made.

There are several Vaughan brothers. One of them is J. J. Vaughan of Toronto, vice-president and financial genius of the far-flung T. Eaton Co. organization. Another is O. D. Vaughan, who is also a director of the T. Eaton Co. and general manager of that company's magnificent palace of merchandising, the College Street store in Toronto.

All three are noted for a pleasant geniality and good temper which never descends to airy persiflage. Happily, they know how to face life with a smiling seriousness, a quality so rare in business as to be worthy of comment when it is displayed.

Spending the government's defense millions efficiently is a big responsibility. One can feel confident that there will be no Bren gun scandals under Mr. Vaughan.

* * *

His associates are men of equal probity. C. W. Sherman of Hamilton was the subject of a recent sketch in this column. He is a far-sighted steel maker with a large staff of workers who rate him about the way the Indians rated the Great White Father.

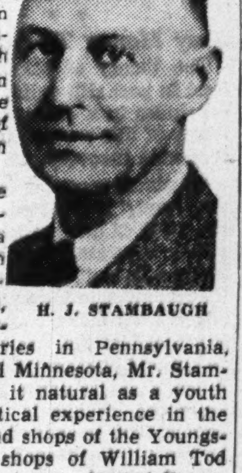
C. E. Gravel, French-speaking member of the board, is one of the few French Canadians to acquire directorships in a variety of large national business institutions and to associate with the English-speaking business leaders of the country.

H. B. Chase is the labor representative. Recently he appeared before the Railway Committee of the Senate to decry the allegation that locomotive engineers are the aristocracy of Canadian workers. He succeeded in convincing the committee that the engineers do not make as much money as they used to make but his figures showed that his group were in the top brackets.

Curiously three members of the committee—Mr. Vaughan, Mr. Sherman and Mr. Chase—have all had association with railway work. Mr. Sherman started life as a telegraph operator and thus claims a bond of kinship with other Great Men of the Key such as E. R. Wood, J. J. Seitz, the late Senator T. F. Ahearn and the late Warren Y. Soper.

Fourth Generation

Burlington Steel's new president, H. J. Stambaugh Jr., is a steelmaster by heredity dating back four generations. He is a Canadian by adoption, bound by over a quarter century's residence in the Dominion and by naturalization as a Canadian citizen.



H. J. STAMBAUGH

Today his chief concern is the future of Canada's steel industry especially in competition with American mills, and the progress of the nation generally.

As the fourth generation of a family which has been active in iron, steel and related industries in Pennsylvania, Michigan and Minnesota, Mr. Stambaugh found it natural as a youth to seek practical experience in the laboratory and shops of the Youngstown, Ohio, shops of William Tod Co. The firm is now United Engineering & Foundry Co.

Further apprenticeship for his career as a steel engineer and salesman was gained in the mills of Youngstown Sheet & Tube Co.; the advertising and sales departments of General Fireproofing Co., Youngstown; and the erection department of William Tod Co., predecessor of United Engineering. For the Tod firm he installed engines and rolling equipment at various steel mils.

His path led toward Canada in 1910, when he joined the sales staff of Truscon Steel Co., Detroit. At the end of two years, which found him assistant manager of export sales, it was an easy jump across the Detroit river to the assistant secretaryship of Truscon Steel Co. of Canada in Walkerville. Within 10 years he had risen through the successive steps of secretary, director, and vice-president to be general manager.

In 1922 the late Sir Frank Baillie had rebuilt the plant of Burlington Steel and enlarged its capacity by 60%. To move out the greater production required more sales, and more sales called for a larger sales force directed by a man of proved experience and selling ability. Sir Frank looked around and picked Mr. Stambaugh.

Within six years (by 1928) he had been elected a director and appointed general sales manager of Burlington. In May, 1937, he became general manager, and assumed the presidency in May of this year on the resignation of the former president, J. B. Carswell.

* * *

By nature quiet and retiring, Mr. Stambaugh is one of the most unobtrusive industrial executives in the country. So self-effacing is he that after he was chosen president, it dawned on several of his fellow executives that they really knew very little about the career and background of the new head of the company. One of them sought to remedy the deficiency by asking the president himself. But even then Mr. Stambaugh shrank from talking about himself. He sent his associate merely a brief memorandum of dates, places and jobs.

He is active in various organizations in his own and kindred fields. He is a member of American Iron & Steel Institute, Society of Automotive Engineers, Canadian Construction Association (on advisory committee), Engineers Club of Toronto, Hamilton Chamber of Commerce, Canadian Manufacturers' Association, and Toronto Railway Club. Chief interests of his leisure hours are golf and curling, and he belongs to Hamilton Golf & Country Club, the Hamilton Club, Thistle Club of Hamilton. He is honorary vice-president of Hamilton Tiger Football Club.

Mr. Stambaugh sees two chief essentials for a progressive future for Canada's steel industry: More population in the Dominion, and means to enable Canadian mills to compete with United States producers. South of the line, development of huge continuous strip mills has reduced cost of steel sheet and plate production by as much as $22 a ton. Canadian duties on steel imports are inadequate to dull the competitive edge that such methods give American steel makers.

If Canadian mills are to hold their own in the domestic market, Mr. Stambaugh thinks, they will have to adopt the technique and create facilities similar to those evolved in the United States. But there are various obstacles in the way, the chief being that Canadian units on a scale similar to the low-cost plants in the United States could produce in a month or two all of Canada's steel needs for a year.

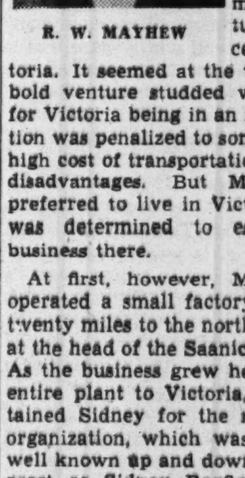
In the United States the steel industry is overbuilt. In Canada it is tending to lag behind. But the limited domestic market and the easy access of imported steels make Canadian steelmasters very cautious about large scale expansion along American lines, even if the necessary millions could be raised.

* * *

Island Industrialist

Soft-spoken R. W. "Bob" Mayhew is the new chairman of the British Columbia division of the Canadian Manufacturers' Association, succeeding A. J. McKelvie, who presided over the organization during the past two years.

Election of Mr. Mayhew marked another step in the rise of the popular Victoria industrialist who in less than twenty years has become one of the most powerful figures in the manufacturing life of Vancouver Island.



R. W. MAYHEW

Soon after the war Mr. Mayhew conceived the idea of launching a paper roofing manufacturing concern in Victoria. It seemed at the time to be a bold venture studded with pitfalls, for Victoria being in an insular location was penalized to some extent by high cost of transportation and other disadvantages. But Mr. Mayhew preferred to live in Victoria and he was determined to establish his business there.

At first, however, Mr. Mayhew operated a small factory at Sidney, twenty miles to the north of Victoria at the head of the Saanich peninsula. As the business grew he moved the entire plant to Victoria, but he retained Sidney for the name of his organization, which was to become well known up and down the Pacific coast as Sidney Roofing & Paper Company, with a continuously growing line of products.

Mr. Mayhew's company, thanks to his executive talents, his knowledge of the industry and his good judgment of market possibilities, is probably the outstanding enterprise of those aided by loans from the British Columbia Government. The Government no longer makes these loans to private business, but for a year or so after the war it adopted a paternal attitude toward new industry. Unlike many other concerns similarly assisted, Sidney Roofing & Paper Company promptly paid off the loans as soon as due and went on to a prosperous career backed only by its good name, the excellence of its product and the organizing ability of Bob Mayhew.

For years prominent in a variety of semi-public activities, Mr. Mayhew served his term as president of the Victoria Rotary Club, the Victoria Chamber of Commerce and several other organizations, and it was in the cards that eventually he would be elected to public office should he seek it. For years he declined all offers, but at the last Federal by-election in British Columbia's capital he succumbed and won by a wide margin. Since then he has been one of the Pacific coast's ablest parliamentarians, although he is not of the type to make a spectacular display of his talents in the House of Commons.

A hard-working, imaginative leader of men, he has given a great deal of his time to work among boys and young men in such organizations as the Y. M. C. A.

As Others See Us . . . . . .

Holiday Dates
Halifax Herald

The question of the observance of such national holidays as Empire Day and Dominion Day, from the viewpoint of their celebration on the nearest Monday to their calendar date, is once more a lively topic of debate.

The Financial Post presses the proposal that Empire Day should be observed on the third Monday of the month of May, and the Dominion Day on the first Monday in July.

It is pointed out that Labor Day is always celebrated on the first Monday in September and that the Government also sets a Monday for Thanksgiving Day.

Christmas and Good Friday, of course, are in a different category altogether.

But surely, so far as the holidays of Empire Day and Dominion Day are concerned, neither loyalty nor reverence for past achievements would be in the least diminished if the Canadian people took their holidays on the Monday rather than on the calendar date.

Thousands of wage-earners would appreciate the change from the present system, and it should not be impossible to make these two national holidays conform more to the convenience and enjoyment of the people.

Floating Holidays
Charlottetown Guardian

Last year, notes The Financial Post, thousands of Canadians were unable to enjoy a week end because Dominion Day fell on a Friday. This meant their responsibilities forced them to be back at work on Saturday, thus sacrificing a long week end. This year retail stores were the chief losers. In some communities an effort was made to see if the statutory holiday could be evaded, and a holiday given to employees on Monday so as to avoid disruption of one of the most important business week ends in the year. Furthermore, thousands of wage-earners were restricted in their holiday plans compared with what might be possible were Dominion Day to be celebrated on the first Monday in July.

"Despite important representations to Parliament from every part of Canada and despite almost unanimous endorsation of the press," says the Toronto paper, "Parliament continues to cling to the outworn fetish that great occasions should be remembered as 'dates' rather than as days.' Our legislators have failed to realize that the commonsense revision of statutory holiday legislation would be to observe Dominion Day as the first Monday in July. Similarly Empire Day should be the third Monday in May. Such a move would permit ample expression of loyalty to the ideals of Confederation and of Empire. It would permit equal opportunity and enjoyment for all."

There is so much common sense in the foregoing suggestion that it requires no further comment.

Understanding the Maritimes
Halifax Chronicle

The Financial Post recently published its annual section devoted to the Maritime Provinces. The section, as usual, was bright and interesting. It consisted of several full pages of articles, pictures, and advertisements of Maritime activity. As usual it presented an interesting factual survey of conditions, problems, and plans in Canada's Atlantic provinces.

The chief article, "Maritime Provinces Seek New Recovery," is signed by John Langdon, eastern editor of The Post, and reveals an understanding of Maritime problems unusual in journals published in central Canada. Some excerpts from this article will illustrate the grasp which Mr. Langdon possesses of our problems, will reveal the valuable, informative data which The Post has presented to central Canadian businessmen, and will serve as a useful restatement of the Maritime case to all of us.

Royal Visit Record
Brantford Expositor

The Royal Visit is over but the spirit it has generated flourishes and interest has scarcely abated. Photographs, professional and amateur, taken during the epoch-making event are still selling well and, as The Financial Post says, Canadians everywhere are showing "by their conversation and by their curiosity that they still crave more news and information" on the subject. Accordingly, The Post suggests, "Ottawa would do well to speed preparation and presentation of some official photographic record of the visit." This, it is further recommended, should be something which would do justice to the magnificent photographs taken of the Royal progress. "It should also be available in a form and at a price which would be within the reach of every home — especially every young Canadian."

Already some enterprising British publishers have turned out souvenir pictorial books and magazines depicting Their Majesties' Canadian "conquest," and copies are on sale in Canada. An official and adequate issue from Ottawa, including, if at all possible, at least one photograph of each of the Royal "stops" would enable the citizens to have, for their own, an interesting and valuable memento of a momentous event, and one for which there would be an immediate and popular demand.

Is Hitler Too Wise to Fight?
St. Catharines Standard

Horace T. Hunter, attending the Empire Press Union in London, and having had the opportunity of talking to many of the big men in the United Kingdom, offers his opinion, wired to The Financial Post, that Hitler will be too wise to risk "the final challenge to the united armed might that faces him." But Mr. Hunter did find from his many interviews that British leaders are of the opinion the "major crisis will come before the end of August." It may turn out that because democracy is so well warned, there will be no climax of war develop from the crisis.

Stop Me If . . .

"Why do you want such a big sink?" asked the plumber.

"Well," explained the man who was building a new house, "when my wife leaves in the summer, she is generally gone for a month."

Week in Business

Only Outside Factors Disturb General Outlook

Domestic Business Mainly Satisfactory But Continuing Fears of Outbreak in Europe or Orient Check Enthusiasm

If Canadian business could afford to completely ignore world politics then the present situation would be regarded with a great deal of satisfaction. Most major factors in the domestic field continue distinctly favorable. A big tourist trade is steadily developing this summer, with the heaviest travel in many years spread over the greatest territory ever penetrated by these inquisitive, friendly and generous spending visitors. The biggest wheat crop since the "bumper" of 1928 is surmounting its last hazards. The stock market after weeks in the doldrums has awakened. Growing volume of exports is encouraging. The newsprint industry is more than holding its own. There have been substantial gains in employment. After a lapse of a quarter of a century immigrants are again coming into Canada and bringing capital and new industries with them.

* * * *

Altogether the domestic picture is one painted in almost glowing colors but unfortunately domestic improvement in any country in this closely knit world is hardly enough. A new shift of political alignments in the Orient might well disturb our important trade in lumber, base metals, pulp and wheat with that quarter. An outbreak in Europe would, for the time being at least, seriously demoralize our routine exports across the Atlantic.

But even from these disturbed foreign quarters recent news appears to have been more favorable. The next major war crisis is popularly scheduled for next month, by which time most of the harvest will be garnered and man power again available for more sinister use. The stock markets, however, as well as many experienced observers, seem to be growing more confident that this next crisis may not be as serious as those of last spring and fall.

* * * *

Canadian car buyers are better financial risks than those in United States, says Col. Leonard P. Ayres in the current bulletin of the Cleveland Trust Co.

Commenting on the unusually high proportion of repossessed cars in 1938, the colonel writes:

"For reasons which are not at all obvious the Canadians seem to manage these matters rather better than we do. The average sales prices are a little higher there than they are here, and the percentages of repossessions are lower, and the losses resulting from them are smaller. One cannot help wondering whether the prevalence of relief benefits and bonus payments may not be operating in this country to make our people less careful than they used to be about assuming obligations, and perhaps less cautious than our neighbors to the north of us."

Business Indicators

Current business steady with little recent change in weekly index of Dominion Bureau of Statistics.

Carloadings jump almost 10% for first week in July over corresponding period last year. All lines except pulpwood participate with grain biggest gainer.

Railway earnings continue to run substantially above last year's levels.

Wheat and flour exports for first half of current year up 99 and 34% respectively from year ago.

Newsprint output in June almost 25% above same month in 1938.

Crude oil production in Canada continuing to make gains.

Manufacturing — Shoe production up moderately this year, running ahead of first part of 1938.

Trend of business shown by Financial Post Index and following key factors, new items for week being marked thus ▲.

	July 8	July 1	June 24	June 17	July 9/38
Commodity prices	73.2	73.3	73.3	73.1	79.1
Weekly index	107.3	107.4	107.3	107.1	108.8
	June	**May**	**Apr.**	**Mar.**	**Year Ago**
Financial Post index	....	■116.1	113.2	112.1	110.4
Retail index no. of sales	....	81.1	79.2	76.3	78.5
Dept. store "	▲72.0	75.2	75.7	71.7	74.4
Wholesale "	....	101.5	87.1	87.4	95.5
Country (% change fr. last yr.)	....	....	—2.8	—7.6	....
Employment D.B.S. Index—	**June 1**	**May 1**	**Apr. 1**	**Mar. 1**	**Year Ago**
All industries	113.1	106.2	104.9	106.5	111.9
Manufacturing	111.4	108.4	107.1	107.0	112.3
Wage earners. No. (000)	....	....	2,186	2,161	2,163
Living costs♦	....	$17.02	$17.04	$17.07	$17.36
			Jan. 1 to date		**%**
Railways—	**1939**	**1938**	**1939**	**1938**	**Change**
Carloadings, week (July 8)	▲47,146	43,261	1,157,593	1,183,178	—2.1
C.N.R. gross, week (July 14) $	▲3,556,430	3,188,221	94,486,896	88,907,140	+6.2
C.P.R. gross, week (July 14) $	▲2,529,000	2,439,000	66,691,000	66,107,000	+0.8
C.P.R. net revenue (May) $	1,906,944	422,118	4,288,025	2,169,620	+97.7
C.N.R. net revenue (May) $	1,473,034	•478,614	•493,321	•4,909,400	....
Iron and Steel (May)—					
Pig iron production (tons)	57,746	71,002	243,716	339,783	—28.3
Steel ingots and castings prod. (tons)	121,413	114,859	472,239	561,340	—15.9
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (May)	14,353	14,056	45,798	51,628	—11.3
Factory output (May)	11,585	13,641	59,383	65,068	—8.7
Trucks and Buses:					
Domestic sales (May)	3,503	3,808	11,153	13,184	—15.4
Factory output (May)	4,121	4,474	19,857	22,338	—11.1
Exports (Apr.)	2,274	4,116	23,221	23,912	—2.9
Financing (May):					
Used $	4,832,096	4,829,349	13,809,068	15,247,853	—9.4
New $	4,500,635	5,318,246	12,242,106	16,408,214	—25.4
Construction—					
Contracts awarded (June) $	23,196,300	20,924,900	83,445,900	80,652,000	+3.4
Cement, bbls. (Apr.)	273,969	364,096	716,886	873,104	—17.8
Agriculture—					
Flour prod., bbls (May)	1,191,778	977,740	5,634,476	4,541,922	+24.0
Flour exp., bbls. (June)	▲401,189	299,503	2,223,298	1,651,331	+34.6
Wheat exp., bus. (June)	▲14,627,016	7,275,376	51,313,467	25,783,863	+99.0
Cattle sales (June)	46,953	50,326	336,468	323,849	+3.9
Hog sales (June)	44,366	45,593	315,974	366,244	—13.7
Sea Fisheries: (May)‡					
Catch, cwts.	988,100	1,082,200	2,879,030	2,272,630	+26.6
Landed value	1,812,000	1,883,500	3,788,960	3,973,870	—4.7
Newsprint (tons)—					
Production (June)	▲240,545	201,694	1,341,064	1,259,871	+6.4
Exports (May)	244,399	209,069	970,461	917,766	+5.7
Mining and Oils—					
Coal prod., tons (May)	1,124,433	1,021,360	5,691,341	5,983,138	—4.8
Coal imports, tons (May)	793,212	1,342,233	2,494,295	3,359,987	—25.7
Gold prod., fine oz. (Apr.)	403,795	368,439	1,623,303	1,446,386	+12.2
Nickel prod., lb. (Apr.)	18,443,625	20,469,463	68,451,544	74,047,064	—7.5
Copper prod., lb (Apr.)	49,759,762	47,750,255	191,290,651	195,129,628	—1.9
Crude oil prod., bbls (May)	▲713,450	566,086	2,544,472	2,381,771	+6.8
Crude oil imp., bbls. (May)	3,643,657	3,801,000	9,753,514	9,519,708	+2.0
Electric Power Output (May)—					
Total monthly m.k.w.†	2,333,235	2,081,935	11,497,674	10,745,222	+7.0
Foreign Trade—					
Imports (May) $	72,957,808	67,123,037	257,369,917	277,745,537	—7.3
Exports (May) $	94,882,594	72,791,247	372,760,875	337,371,813	+10.4
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (May)	165,539	124,957	724,003	589,915	+22.7
Shoes, prod., pr. (May)	▲2,038,517	1,923,773	9,399,098	9,232,083	+1.8
Cotton imports, lb. (May)	13,113,000	11,860,000	38,255,000	54,560,000	—29.8
Raw rubber imp., lb. (May)	5,903,731	5,700,660	24,367,414	18,081,374	+34.7
Cigarette cons. (May) No.†	625,869	592,763	2,635,324	2,600,334	+1.3
Sugar manufactured, lb.§	94,105,028	94,408,309	301,950,913	283,874,458	+6.3
Finance—					
Bank debits (May)† $	2,839,207	2,461,867	12,302,222	11,854,491	+3.7
Bond sales (May) $	219,462,536	205,350,369	693,421,463	561,591,550	+23.5
Life insurance (May) $	33,657,000	30,342,000	156,777,000	154,929,000	+1.19

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to June 17, 1939.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
♦For average family per week, food, fuel, rent. ■Revised. •Deficit

To Help Industries Establish and Expand!

● Avail yourself of the specialized information which you may obtain from our Department of Industrial Development. Your problem—be it the location of an Industrial plant, the securing of a factory building, the leasing of warehouse space, a request for Industrial information or any matter connected with the development of Canada's resources—will be given prompt and careful attention.

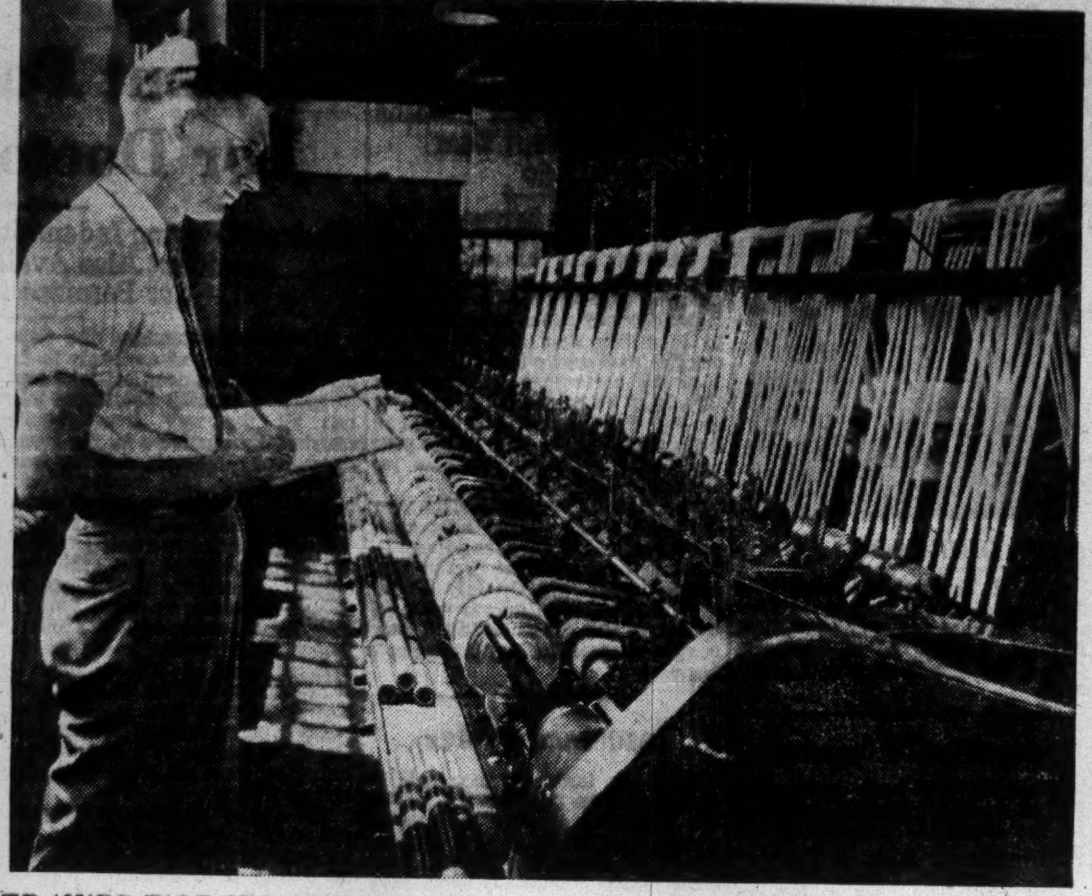
Manufacturers seeking reliable information regarding the location, quality and utilization of raw materials, power or other services are cordially invited to make the fullest use of this department.

G. G. OMMANNEY, Development Commissioner — MONTREAL — F. W. COLLINS, Industrial Commissioner
G. M. HUTT, Asst. Develoment Commissioner — WINNIPEG — R. J. PRITTIE, Industrial Commissioner
TORONTO: F. K. HOLLYMAN, Industrial Agent — VANCOUVER: C. W. McBAIN, Industrial Agent

DEPARTMENT OF INDUSTRIAL DEVELOPMENT

Canadian Pacific

WORLD'S GREATEST TRAVEL SYSTEM



TRAINED WORKERS FIRST FOR PROMOTIONS —

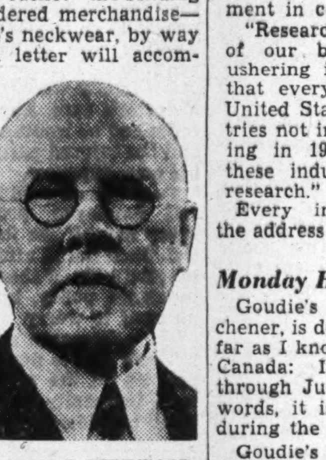
Canadian textile firms are waking to the need for training employees in the more technical aspects of their work and classes were held last winter in a number of centres. W. J. Stookes, shown working on a time study in a yarn spinning mill, tied for proficiency in textile classes in Hamilton with J. G. Smith.

Keeping Posted

Veteran Business Commentator Shares His Wide Reading With Businessmen

By J. C. KIRKWOOD

There's a new racket—the sending to you of unordered merchandise—a parcel of men's neckwear, by way of example. A letter will accompany the parcel, which may read so: "We are taking the liberty of sending you three exceptionally fine ties. Because these ties have the approval of thousands of discriminating dressers, we know that you will like them. Please send $2."



JOHN C. KIRKWOOD

A doctor who got such a parcel reciprocated. He wrote: "I am taking the liberty of sending you $2 worth of extra fine pills. These pills have helped thousands, and I am sure that you will appreciate my thoughtfulness in sending them. Please accept them in payment of the ties which you sent me recently."

How to deal with these wished-on-you parcels, from a legal point of view, is told in the June 27 issue of Men's Wear Merchandising.

* * *

Checking Corrosion Loss

The staggering losses every year, the world over, through corrosion of steel and non-ferrous metals are a challenge of the first magnitude to paint chemists. This problem was dealt with by Robert J. Moore, development manager, Varnish Resin Division, Bakelite Corporation, Bloomfield, N.J., in an address delivered before the Canadian Chemical Convention, held in London, Ont., in June. His address is printed in the June 15 issue of Canadian Paint and Varnish Magazine.

In the course of his address, Mr. Moore said:

"Soya bean oil used in paint and linoleum in 1937 exceeded 15 million pounds. The alert varnish chemist looks with keen interest to the growing volume of this cheap, non-yellowing oil, properly fortified with synthetic resin, as the base for substantial advancement in coatings.

"Research is fast changing many of our basic industries and is ushering in new ones. It is said that every fourth worker in the United States is at work in industries not in existence or just starting in 1900. And every one of these industries was founded on research."

Every industrialist would find the address of Mr. Moore a tonic.

* * *

Monday Holiday

Goudie's Department Store, Kitchener, is doing something which, so far as I know, is without parallel in Canada: It closes up Mondays through July and August. In other words, it is a five-day week store during the summer months.

Goudie's have been doing this for five years, so this practice has passed the experimental stage. In their advertisement in the Kitchener Record, Goudie's say:

> The stores of tomorrow will adopt this five-day-week schedule by closing Monday, beginning with the summer months and eventually extending the five-day week to the entire year. The factories tomorrow will be operating not more than five days a week, and their closing day will be Saturday, while stores, as servants of the public, must remain open to serve at the time when people are free from work.

It is easy to understand why A. R. Goudie, president, Goudie's, commends The Financial Post's effort to have all national holidays set for Monday.

* * *

Businessmen Sulk

J. C. Hodge, general manager of Dun & Bradstreet of Canada, said to Hardware and Metal that in the United States there is a certain degree of sulkiness among businessmen: they seem to be particularly anxious to put as bad a complexion as possible on conditions, no doubt in the hope of influencing the political situation. "We in Canada," said Mr. Hodge, "are in a better condition than they are in the United States, despite the fact that they have so much of the world's gold."

"Come and get it!"

A regular "feast" of consumer dollars awaits the enterprise of advertisers who enter the Toronto field. Within a radius of one hundred miles of this city are one-fifth of the people of Canada, and one-third of the nation's buying power. Naturally the allure of "more consumers with more dollars" than in any other place in Canada, thickens up the competition, and no means of entree to these people can be overlooked. For over sixty-three years, the main avenue of approach has been through the advertising columns of The Evening Telegram. Undoubtedly

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM

Largest Classified Linage in Canada

TORONTO CANADA

MONTREAL: E. R. CHOWN, Dominion Square Building

Nations Mart In Orient Lost

Observer Doubts Former Trade Will Ever Be Restored

From Our Own Correspondent

VANCOUVER.—Canadian markets for newsprint, lumber and other commodities in the Orient are unlikely ever to regain former levels, in opinion of H. J. McKenzie, manager of Export Sales Company, representing British Columbia's two big newsprint organizations, Powell River Co. and Pacific Mills Ltd. in the Orient. After a four months survey of the situation across the Pacific, he believes:

"Whatever happens over there during the next few months or the next generation, the old Oriental market as we knew it for years and up to the time of the Sino-Japanese war has gone forever."

Of present business in China, Mr McKenzie reports that Shanghai is more active than when he visited that centre last summer; that industrial building is expanding throughout the international settlement, financed almost entirely by Chinese; that Chinese are beginning to buy pulp and paper again, but in small volume.

In Japan, due to exchange restrictions, no Canadian newsprint is being purchased now, although some pulp has been taken for rayon manufacture. Throughout Japan merchants and all other consumers are economizing on paper, most of which is being made from the woods of Saghalien, Hokkaido and Manchukuo.

While Japan may, under the new trading setup, insist on a greater proportion of logs to lumber in her imports from B.C., Mr. McKenzie believes that Japan will be compelled to buy newsprint heavily from this and other countries. Under normal conditions the spread between cost of woodpulp and newsprint would not be sufficient to justify shipment of pulp across the Pacific, he says.

Air Freight Total Declines by 18%

Drop in 1938 Returns Offset by Mail Increase

From Our Own Correspondent

MONTREAL.—Volume of freight carried by aircraft in Canada in 1938 was 18% below the 1937 volume, according to figures released by Dominion Bureau of Statistics.

This is midway between estimates published several months ago in The Financial Post, based on partial figures available and predicting a decline of at least 12% and possibly ranging up to 24%.

Paying passengers carried totalled 101,594 as against 110,864 in 1937, a drop of 8%. Non-paying passengers carried increased from 30,294 to 33,898.

Freight carried amounted to 21,474,691 lb. as against 26,279,136 lb. in 1937 and 25,387,719 lb. in 1936.

Volume of mail carried was larger than in the previous year, amounting to 1,900,309 lb. as against 1,450,473 lb. in 1937. The amount carried under Canadian postal contracts in 1938 was 1,771,153 lb. as compared with 1,323,584 lb. in 1937.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

Inquiries may be made to our nearest Branch

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO

Montreal Winnipeg Vancouver Victoria New York London, Eng.

McLEOD, YOUNG, WEIR & CO.
LIMITED

INVESTMENT SECURITIES

TORONTO
Metropolitan Building

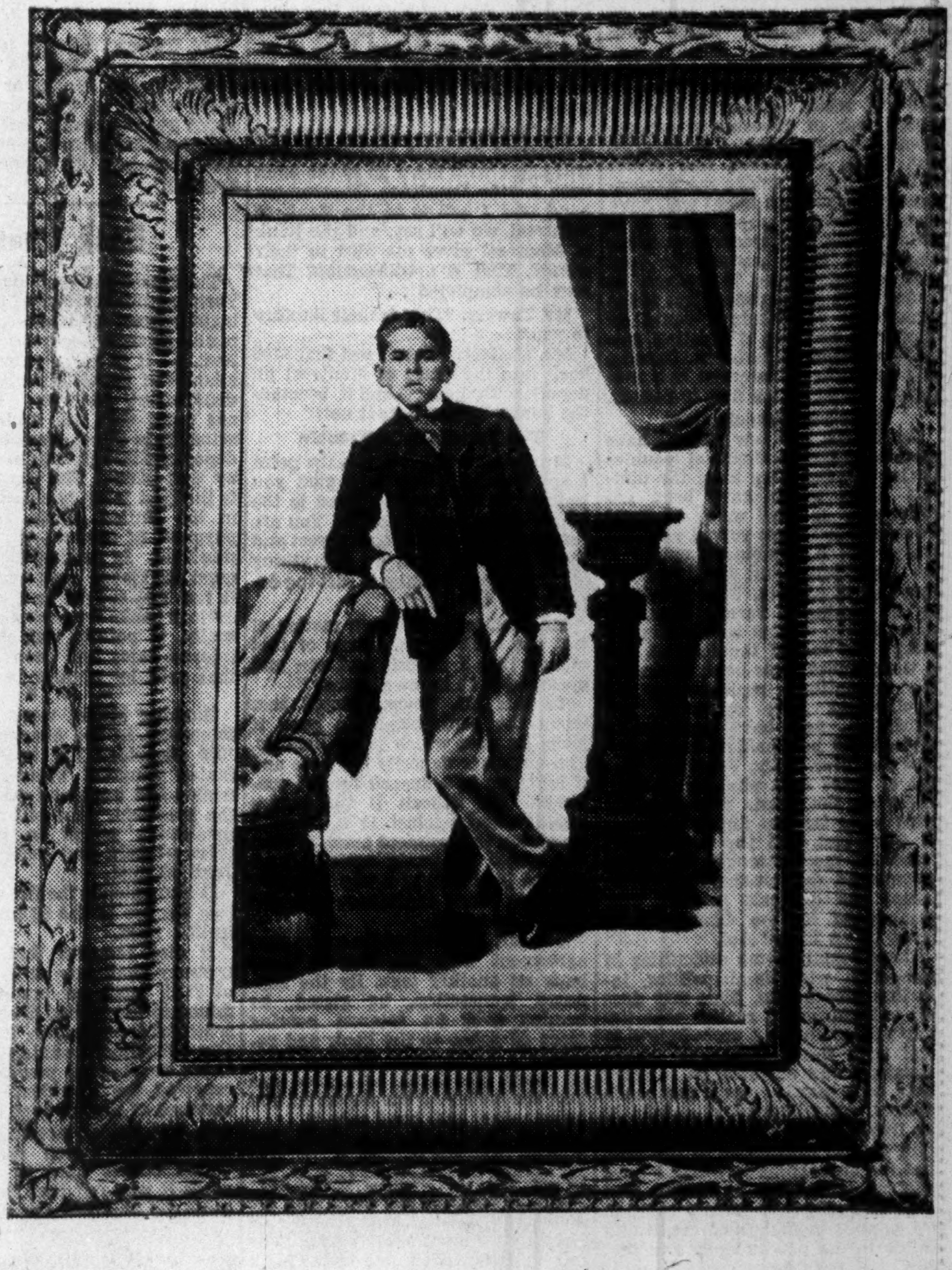
OTTAWA — Ottawa Electric Building | LONDON — Richmond Building
MONTREAL — 231 St. James Street | HAMILTON — Spectator Building

Correspondents in New York and London, Eng.

KEEP POSTED THIS SUMMER

Investors and business men who wish to keep abreast of the markets and trends while they are holidaying can have an extra copy of The Financial Post sent to their summer place for the next ten weeks for $1. Mail or telephone your instructions to The Financial Post, 481 University Avenue, Toronto (ADelaide 9131), or Dominion Square Building, Montreal (Marquette 2331).

This boy has long white whiskers now



A LOT OF THINGS have happened since this picture was taken, some 60 years ago.

And a lot of things will happen during the *next* 60 years, and succeeding years—many things that no human being can possibly foresee.

But the management of a life insurance company must be prepared for *whatever* may happen. For the insurance policies a company issues are all contracts for future payment. Exactly how far in the future these payments will be made, nobody knows.

The management of a life insurance company must consistently take "the long view."

With each passing year, the time comes nearer when claims must be paid. So, each year, the company sets aside a mathematically determined amount of money as a reserve. Because this fund is required by law, it is known as the "legal reserve."

The management of a life insurance company must look ahead in another way. It must concern itself with such unforeseen conditions as depressions, panics, epidemics, and other disasters—and must seek to protect its policyholders' interests against these unexpected contingencies. So the company sets aside an additional, and smaller, fund called a "contingency reserve," or "surplus." In New York State, the maximum amount of the contingency reserve is fixed by law.

And in investing these funds it must attempt, through the application of far-sighted and highly specialized judgment, to select income-producing investments which will prove stable, year in and year out.

By thus providing for the payment of all its normal obligations through its "legal reserve" . . . and by setting up a "contingency reserve" to safeguard policyholders' and beneficiaries' interests even in the face of extraordinary emergencies . . . a life insurance company seeks in every possible way to make sure that it can meet all its financial obligations to its policyholders and beneficiaries—*in good times and bad*—whenever these obligations fall due.

This is Number 15 in a series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. Copies of preceding advertisements will be mailed upon request.

Metropolitan Life Insurance Company

(A MUTUAL COMPANY)
NEW YORK

Frederick H. Ecker, CHAIRMAN OF THE BOARD

Leroy A. Lincoln, PRESIDENT

CANADIAN HEAD OFFICE
OTTAWA

Plan to visit the Metropolitan's exhibits at the New York World's Fair and at the Golden Gate International Exposition in San Francisco.

THE BRITISH EMPIRE TRUST

STRONG AND SOUND POSITION

Mr. J. Davidson's Survey

The Thirty-eighth Ordinary General Meeting of the shareholders of The British Empire Trust Company, Limited, was held recently in London.

Mr. J. Davidson (chairman and managing director) presided and said, in part:

The accounts cover a period of most disturbed and adverse conditions. While war in Europe has been averted, fears of war at the end of April last, when your accounts were made up, were acutely present. For the most part, quotations of securities reached at the end of April the lowest for the year under review. Much as we dislike the depreciation in our investments, there was no means of avoiding it, and it is a relief to your directors that the shrinkage only amounted to approximately 7 per cent. on the total investments, which has been made good out of reserves, leaving your capital intact with a reserve of £250,000, and, after paying the dividends recommended, a carry forward of £20,146 7s. 3d.

Low Interest Rates

Another unfavourable feature of the year has been the low interest rates which have prevailed on the best classes of investments. This arises from various causes, but is probably mainly due to the relatively high prices, and consequent low yields, for good securities, due to the desire of investors in times of danger to hold such securities in preference to higher yielding investments involving more or less serious risks of capital depreciation. This circumstance, which made it difficult to get good investments to give a remunerative yield, coupled with the lower distributions received from enterprises whose business and profits have suffered from the prevailing uncertainties, has, I think, only temporarily, reduced your income. In spite of these adversities, however, we are able to recommend dividends of 6 per cent. on the Preferred Ordinary shares and 8 per cent. on the Deferred Ordinary shares.

The position of your company, in spite of all the untoward happenings of the past few years, remains strong and sound, and I am certain that if the troubles which afflict the world can be peacefully resolved, we will recover much of the depreciation we have suffered.

Position in Canada

Like every other country in the world, Canada suffered from the disturbed conditions which prevailed in 1938.

Having regard to the grave international situation which arose in 1938 and which threatened a widespread war of devastating proportions, it is not a matter of surprise that trade, commerce, and prices suffered: indeed, under the circumstances, the setback might well have been of greater proportions. It is quite certain that, under prevailing conditions, there cannot be any lasting improvement in business or trade, but I am satisfied that if international relationships could be improved, or even if existing animosities could be reduced, Canada, as a producer of essential raw materials, would be the first to benefit.

Canadian Municipalities

During the past few years, I have referred to various financial troubles in Canada, resulting from the difficult times which have been encountered. A good many of these troubles have been solved satisfactorily, but a notable exception is the Debentures and Bonds of the Province of Alberta. That Province, by the passing of various Acts, has attempted to compel bondholders to accept one-half of the interest due to them under their bond contracts. The committees representing the bondholders have contested this legislation, and have consistently advised the bondholders not to accept the offer of the Province. The last of these Acts affecting the interest on the bonds was declared ultra vires by the Supreme Court in April last, and the committees, therefore, more strongly than ever recommend the bondholders not to accept the one-half interest now pronounced by the Courts to be based on an illegal Act.

There remain some difficulties in connection with municipalities, including Moose Jaw. This city does not yet appear to realize that the only proper and just procedure is to deal with the bondholders' representatives and not attempt to force their own solution upon the bondholders. I am hopeful, especially in the light of the successes in dealing with similar difficulties in the past, that the authorities to which I have referred will come to realize that one-sided efforts to force a solution are ruinous to their own credit and unfair to the bondholders, and that they will eventually agree to meet the bondholders' representatives, when I feel certain fair and reasonable arrangements can be worked out.

Current Outlook

The hopes and future prosperity of your company, and that of the entire financial and business world, rest on the solution of the acute difficulties which now divide the world into opposing camps. This is indeed the main factor upon which the success of your company depends, and therefore you must look to current events, rather than to us, in forming an opinion as to whether we are to witness recovery or not. All I can say is that we are still in a strong position, despite all that has happened, and that if events take a turn for the better, so will the fortunes of your company.

Before You Insure Consult
Confederation Life
Association
One of the World's Great Life Insurance Institutions.
Renowned for Strength, Service and Security
Since 1871.

Banking

Money Deposited in Bank Becomes Bank Liability

Error of Calling Deposits Assets Puts Discussion of Banking on Topsy-turvy Basis, Says Graham Towers

This is the eighth of a series of articles in The Financial Post analyzing the evidence at the recent sessions of the standing committee of the House of Commons on Banking and Commerce.

By D. G. MacLEAN
Staff Writer, The Financial Post

Deposits with the chartered banks are a liability to the banks, Graham F. Towers, governor of the Bank of Canada, emphatically told the standing committee of the House of Commons on Banking and Commerce, thereby disabusing the minds of some of the members of the theory that deposits are an asset.

His remarks were prompted by discussion of different types of monetary action to raise price levels and finance government expenditures. Monetary expansion had been proposed in addition to currency depreciation as a means of raising the price level and also of financing government expenditures.

G. G. McGeer, following up his suggestions for the creation of a fund of what he termed "costless" money for the Government, brought up the practice of the banks in issuing bank note currency, which, he said, was issued "at a cost to the banks of a nominal sum." He appeared to think that in letting the banks issue about $90 millions in bank note currency the Government was letting slip an opportunity to create currency which it could use with advantage itself.

Cost Banks 1¾%

Mr. Towers, after stating that it cost the banks about 1¾% to issue these notes, agreed with Mr. McGeer's contention that it represented full purchasing power for the banks, but he added the proviso "at the cost of the bank assuming the liability. I have always felt that there was an absolutely fatal misunderstanding in regard to the banking system as a whole," he proceeded, "and that fatal misunderstanding arises from the thought that deposits are assets and that notes are assets. Now, so long as that thought is even in the background of people's minds, any discussion of banking gets on a topsy-turvy basis, because they are liabilities. Any member of this committee can use a piece of paper and put his name on it, and if he is regarded as solvent and has credit, he can use it for the purpose you mention."

Mr. McGeer: "... let me give you a concrete example and see if you will agree with me. I go to the bank with a $100 Dominion Government bond and I sell it to the Bank of Montreal, we will say, and the Bank of Montreal gives me $100 in their money. That is a transaction. That may be completed .. "

Mr. Towers: "That is their liability to you."

Mr. McGeer: "Then I put that $100 back into the Bank of Montreal on deposit with them ... and it becomes the bank's money does it not?"

The Fundamental Trouble

Mr. Towers: "Well that is the point I am making. I am very glad you brought it up, because there is the whole fundamental trouble. You are referring to a deposit as an asset and therefore from then on everything is topsy-turvy, because in fact the deposit is a liability."

Mr. McGeer: "But as a matter of fact the bank takes charge of that money that I deposit and can and does use it as its own money."

To this Mr. Towers stated that when the bank buys the bond it gives its note which is its liability. The customer deposits the note and it is set up as a deposit for the customer. The deposit is the bank's liability and against it it holds a Dominion Government bond. It must administer its assets against these created liabilities in a way that will maintain the confidence of the people, he added.

But Mr. McGeer while expressing agreement with Mr. Towers came back on another tack. By the supposed transaction, he stated, he handed over an interest bearing piece of paper to the bank and received a non-interest bearing piece of paper. The bank he argued can take the money he had deposited and buy another $100 bond with it.

From this point of view Mr. Towers differed sharply " ... you cannot use your liability to buy anything. The deposit you have with the bank is its liability. It cannot use its liabilities to buy something." ... The money deposited, a note of the bank itself, Mr. Towers declared, was the bank's liability and when put into the bank it did not become an asset of the bank. In effect it appeared from Mr. Towers's remarks the deposit of the bank's note was simply a transfer of the liability implied by the note to a liability as a deposit.

Velocity of Deposits

The fact that out of some $3.5 billions of bank deposits, Canada does business up to the value of $35 billions a year, Mr. Towers explained, was by people using their deposits in the banks and, he agreed with Mr. McGeer, through the circulation of this money over and over again among these people.

He disagreed sharply, however, from Mr. McGeer's suggestion that it is on this process that the banks build their deposits. He explained that "when a bank acquires an asset in the form of a loan or a government bond, other things being equal, its deposits will increase by the same amount, hence that word which most bankers detest the 'creation' of deposits. When they create these deposits they are not creating assets they are creating liabilities, and their liabilities cannot exceed their assets." The banks, Mr. Towers pointed out, can buy $10 millions of bonds or lend the money if their cash reserves permit, but they must have on the liability side, $10 millions in deposits.

Accounts Must Balance

"These deposits," he said, "move very quickly out of the hands of people to whom they first came. They are paid out in various forms; they circulate; that is the start and finish of the $10 millions; on the one side $10 millions and on the other side $10 millions. The bank does not just go and use $10 millions of deposits to buy $10 millions of fresh assets, because you cannot buy something with one of your own liabilities."

But Mr. McGeer was unwilling to accept Mr. Towers's opinion. He stated that an investigation of the annual statements of the banks would show that "this process of pyramiding deposits obtains, because the money comes back a number of times and the bank can use the same money in purchasing assets. I quite appreciate," he said, "that there are other ways of building up the process, that the process of issuing money, which is the bank's buying power is much cheaper than the process of issuing national currency ... with a silver reserve."

Mr. Towers: "No, it is more expensive ... it costs the banks ... about 3% per annum or perhaps a shade more to operate, of which about 2% represents their expenses and about 1% represents the interest that they pay on deposits on the average."

Weekly Statement Bank of Canada

Deposits by the Dominion are down $2.3 millions in the latest week while deposits by other banks are down $3.6 millions. On the assets side these changes are offset by a drop of $5.5 millions on all other assets and smaller declines in investments in other Dominion securities and other items.

Balance Sheet

	July 12 1939 $	July 5 1939 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	168,922,041	168,639,266
Rest fund	1,903,515	1,903,515
Depos.: Dominion	22,451,931	24,755,733
Banks	201,132,627	204,771,170
Other	5,054,719	5,001,086
Total deposits	228,639,277	234,527,989
All other liabs.	2,019,663	2,007,231
Total liabs.	406,484,496	412,078,001
Assets		
Reserve: Gold	205,575,925	205,736,025
Res. in sterling and U. S.	34,190,019	33,694,654
Other curr.	755	942
Total reserve	239,766,699	239,431,621
Subsidiary coin	392,336	402,040
Investments:		
Dom. govt. short	110,784,720	110,784,784
Other Dom. govt.	51,093,613	51,519,595
Total invest.	161,878,333	162,304,379
Premises	1,658,826	1,657,962
All other assets	2,788,302	8,281,999
	406,484,496	412,078,001
Reserve ratio	[illegible]	[illegible]

Bank Chat

The Chase National Bank of New York has announced that it will eliminate interest on deposits in its compound interest department effective Aug. 1. It is now paying 1%. The amount of deposits involved in this department, however, is probably not more than $15 millions. They actually, in effect, constitute savings deposits although they are not called by that name. The Chase National is the first large banking institution in the United States to eliminate payment of interest on deposits of this kind. In making the announcement the Chase bank explained that it had not sought to compete with savings banks for savings funds generally. It pointed out also that its interest rates had been lower than that paid by savings banks.

* * *

Banking circles were but mildly interested in the enactment of the 1939 Monetary Bill by the United States Congress which passed the Senate last week and was signed by the president. The bill restores the president's power to change the price of gold and extends it until June 30, 1941.

It also extends the life and authorizes the use of the $2 billion stabilization fund.

It also requires that the U. S. treasury shall buy at a fixed price of 71.11 cents per ounce all silver mined in the United States and presented at the treasury. It was generally felt among banking circles that if his devaluation powers were not renewed the President still had a measure of control over the price of gold and foreign exchange, while if any drastic action were needed which occurs once in a hundred years it was felt that the authority could be obtained very quickly.

Obituaries

Hon. William G. Ernst, K.C., former Conservative Dominion Minister of Fisheries and member of House of Commons for Queen's-Lunenburg riding in Nova Scotia. Mr. Ernst was senior partner of the law firm Ernst and Pearson, and a Rhodes scholar.

H. L. Plummer, senior partner of brokerage firm H. L. Plummer & Co., member The Toronto Stock Exchange.

Hon. Fernand Rinfret, Dominion Secretary of State since 1935 and a former mayor of Montreal.

Weekly Bank Clearings

	July 13 1939 $	Change year ago %	July 6 1939 $
Halifax	2,500,177	—3.9	2,767,456
Saint John	1,800,492	—0.3	2,013,558
Moncton	930,087	+36.8	816,451
Sherbrooke	727,992	+7.2	1,156,388
Quebec	4,620,475	—2.8	5,988,211
Montreal	95,425,857	—3.2	127,306,174
Ottawa	17,234,145	+5.9	21,705,285
Kingston	573,241	—3.7	616,415
Peterborough	578,972	—14.2	663,673
Toronto	87,792,845	—11.0	130,929,527
Hamilton	4,619,997	—6.5	6,036,657
Kitchener	983,845	—3.9	1,217,787
Brantford	869,017	+4.1	1,222,558
London	2,157,398	—13.1	3,117,533
Chatham	522,420	+0.4	505,063
Windsor	2,923,106	+28.5	3,138,174
Sarnia	483,039	—6.3	527,248
Sudbury	1,600,974	+40.4	1,083,175
Fort William	551,146	—11.9	686,086
Winnipeg	35,322,629	+56.3	32,845,607
Brandon	298,908	—12.2	332,666
Regina	3,267,607	—1.1	3,844,081
Moose Jaw	634,039	+18.3	......
Prince Albert	287,152	+0.04	333,378
Edmonton	4,058,028	+20.5	4,416,847
Lethbridge	484,004	+11.4	533,131
Medicine Hat	220,065	+15.7	255,015
N. W'minster	627,281	—1.6	738,933
Vancouver	15,425,935	+0.3	20,378,166
Victoria	1,912,868	+10.2	2,087,608
Calgary	4,043,853	+6.3	4,764,824
Saskatoon	[illegible]	[illegible]	[illegible]

NEW DIRECTOR

J. C. H. Dussault, Montreal, who has been elected a director of Canadian Wineries Ltd., replacing F. R. Ramsey, Guelph. A. G. Sampson, former vice-president, is now president.

Municipal Finances

Winnipeg has been granted a line of credit totalling $9.1 millions by the Bank of Montreal, it has been announced.

* * *

Fort Erie, Ont., tax collections are reported as satisfactory by Chairman C. H. Price of the financial committee.

* * *

Regina recntly met obligations to debenture holders of $547,000, including principal and interest. Of the total, $285,000 came from sinking fund and the balance of $262,000 for interest payments was borrowed from the bank.

* * *

Fort William, Ont., tax collections in the first installment period totalled $760,210, representing 58.5% of total levy for the year. Levy is $1.3 million, against total levy in 1938 of approximately $200,000 less. In the first installment period last year, collections were $766,918.

* * *

Victoria, B.C. collected during the first half of the year 44% of current tax levy, according to figures released by the city assessor-collector's department. Collections in the current section stand $13,991 higher than those of the same period last year.

* * *

Vancouver revenues for the first six months of the current year amounted to nearly $500,000 more than in the same period of 1938, according to figures released by Comptroller Frak Jones. For the first half of the year, the city's income amounted to $5.7 millions, compared with $5.2 millions in 1938. Tax department showed a marked advance from $1,898,562 to $2,453,720 in the last six xmonths.

* * *

Montreal net receipts last year from sales tax were $4,296,706 and from income tax, $2,034,140. Montreal residents paid 85.79% of amounts allotted to the various municipalities under the control of the Montreal Metropolitan Commission, as follows:

	$
Westmount	151,042
Verdun	317,588
Outremont	178,502
Montreal East	13,973
Town of Mount Royal	13,549
Pointe aux Trembles	18,510
Montreal West	19,881
Ville St. Laurent	35,331
Ville St. Michel	9,523
Montreal North	28,164

Great West Life Has Steady Gain

Five of First Six Months Better Than Year Ago

With a further increase in total new business sales during June, the Great-West Life Assurance Company closed the first half of 1939 with the best report of sales operations for many years. From January to June this year five of the six months have shown individual gains over the corresponding months of 1938, May being the only month to show a slight decrease. Business in force, which at the first of the year was $607.5 millions, has now increased to $613.7 millions.

To start the second half of the year the closing of a special sales campaign resulted in more than five millions of new business in the first three days of July. On July 3, over 750 individual applications were received at the Home Office, a new company record for any single day's business.

Insurance Notes

Total life insurance payments in Canada and the United States in 1938 are estimated at over $3 billions. This is an increase of $175 millions over 1937, and marks the first time since 1934 that total payments have exceeded $3 billions. Of the total, 62.91% was paid to living policyholders, and 37.09% to beneficiaries. Worked out in detail it means that each minute of every 1938 working day, life insurance companies were paying policyholders and beneficiaries $21,041. In the last 10 years it is estimated that life insurance companies have paid to insured persons and beneficiaries over $29 billions.

* * *

W. E. Baldwin, manager for Canada of the Continental Fire of New York group, has been elected president of the Fire Underwriters Investigation and Loss Information Bureau of Canada at the annual meeting in Montreal recently. He succeeds C. Stuart Malcolm of the Royal Exchange.

* * *

Visitors to the National Association of Insurance Commissioners annual meeting at San Francisco recently viewed the $80,000,000 San Francisco-Oakland Bay Bridge which is reputed to be the world's largest insurance risk. This bridge, completed in Nov., 1936, over eight miles long with four and a half miles over navigable water, is insured in part as follows:

Property damage including all risks from Sept. 1, 1936, to Sept. 1, 1941, $36 millions. Public liability and contingent liability for a maximum of $1 million in each case, while bonds for performance of contracts were over $15 millions.

* * *

A number of Canadians were in attendance at the annual meeting of the National Association of Insurance Commissioners in San Francisco recently. Among them were Hartley D. McNairn, Superintendent of Insurance for Ontario; R. Leighton Foster, K.C., general counsel of the Canadian Life Insurance Officers Association; J. G. Godsoe, Confederation Life Association and William Beattie of the Canada Life.

* * *

A number of insurance companies in the New York district have adopted a policy this year of closing their offices on Saturday morning.

Insurance Is Disclosed As Big Export Balance

Canadian life insurance companies form one of the big mediums through which foreign funds come into Canada. Figures just revealed by the Dominion Bureau of Statistics disclose investments by non-residents in Canadian life insurance policies to be almost double investments by Canadians in life insurance policies of other than Canadian companies.

At the end of 1936—the latest date for which final figures have been compiled — liabilities of Canadian life insurance in foreign countries totalled $871.9 millions including $791.6 millions net reserve for risks. United States life companies held the bulk of the foreign business in Canada. They had $428 millions of liabilities in Canada of which $404.8 millions represented net reserves under policies of Canadians. Liabilities of British Life companies amount to only $36.2 millions. Although no figures are given for other countries, totals are believed to be relatively small.

Canada Favorable Field

While foreign companies are forced to keep deposits in Canada to ensure a discharge of their obligations, they have done even better than that. British life companies had assets worth $71.1 millions in Canada at the end of 1936 compared with the liabilities of only $36.2 millions. United States companies assets were $506.5 millions against liabilities of $428. Concerning this the Dominion Bureau of Statistics comments:

"There is a tendency for these companies (British and foreign) to build up Canadian assets against liabilities in Canada, because Canada is a favorable field for investment."

Canadian life assurance companies have also followed a policy of keeping assets in Canada and if foreign companies have found it advantageous to maintain assets more than their liabilities in Canada, Canadian companies would also appear justified in their policy. Assets held outside Canada at the end of 1936 were only $646.2 millions or $225 millions less than the liabilities.

Steady Growth Recorded

An interesting feature of the Canadian stake in the life insurance business outside this country is its steady growth. This is demonstrated by the growth of liabilities abroad although it must be remembered that insurance in force has not necessarily grown at as rapid a rate. In 1926, liabilities of Canadian life insurance companies outside Canada were just $321.9 millions and in every year since, to the end of 1936, an increase in liabilities amounting to $50 millions has been shown each year except for the depression years 1931 to 1933 inclusive. If the $50-million rate has been maintained since 1936, and this does not appear at all unlikely, Canadian life insurance foreign liabilities may now exceed $900 millions, or well on the way to tripling the 1926 figure.

Staff Changes

The Bank of Toronto announces the following staff changes:

G. H. LANGRIDGE, accountant, Kipling, Sask., to be manager, Kennedy, Sask.

C. E. BEIRNES, manager, Kennedy, Sask., to be manager, Langenburg, Sask.

G. M. LAWRENCE, accountant, main office, Ottawa to be manager, Alliston, Ont.

M. S. HARGREAVES, manager, Thornbury, Ont., to be manager, Market Branch, London, Ont.

H. R. NETTLETON, manager, Market Branch, London, Ont., to be manager, Barrie, Ont.

H. S. SIMS, manager, Barrie, Ont., to retire on pension.

The Bank of Nova Scotia announces the following staff change:

K. R. ELLIOTT to be accountant, Regina, Sask.

The Royal Bank of Canada announces the following changes:

W. C. DELANY, manager, Annapolis Royal, to be manager, La Have, N.S.

G. JOHNSTON, appointed manager at Port Hood, N S.

S. E. KYTE, manager, Halifax, Gottingen Street, to be manager Antigonish, N.S.

D. P. LOCKHART, manager, McKay, to be manager at 25th Ave., Vancouver.

O. MOON, manager, Vancouver, Cambie & Broadway, to be manager at McKay, B.C.

Bank of Commerce Dividend

The Canadian Bank of Commerce has declared a dividend of 2% in Canadian funds for the quarter ending July 31, payable Aug. 1 to shareholders of record June 30.

Insurance

Accident Policy Pays For Doctor and Nurse

Contracts Paying Indemnity for Loss of Time Through Accident Also Available — Capital Sum for Permanent Disablement

A statistician combing the daily papers for news of accidents to individual citizens does not take long to amass a lengthy list. These may run all the way from thumbs smashed by hammers in the hands of amateur carpenters, or burns from a cookstove, to falls causing broken bones or injuries sustained in an automobile accident.

Sometimes the accident is due to the carelessness of the individual himself. Sometimes it is somebody else's carelessness or recklessness. It may be an explosion in a motor launch or a broken bottle on the bathing beach but the result is the same—shock, doctor's bills, possibly X-rays, nursing fees, hospital fees; possibly impairment of sight or hearing or of the use of a limb. It may result in time off from work and loss of wages.

The injury itself may be quite minor, yet the expense entailed may be considerable. More serious accidents may limit the future earning power of the individual for the rest of his life.

Many Accidents in Summer

Every week end sees a large number of persons across the country injured seriously in automobile accidents. Summer is a particularly bad season. Then there are more cars on the road. People are more active.

One man in an Ontario town going into his garden at night stepped on a rake which somebody had carelessly left turned up. The teeth went through the light sole of his shoe, caused blood poisoning in his foot and he was laid up for six weeks. Two girls bathing in the lake cut their feet on broken bottles and were unable to go to work for some days. Another man while motoring was run into by another car. He and two of his family were injured requiring a doctor's care. The offending motorist had no insurance and no assets and the injured party had to pay all his own expenses.

To a person paid by the hour, or self employed professional men, every day off the job means money lost. Such can ill afford to pay heavy hospital bills. If there is an accident insurance policy, however, there is no need to worry.

Coverage Available

There are a number of accident policies on the market which provide indemnity in all these cases. They provide:

Weekly indemnity for loss of time whether total or partial.

Cost of doctor's fees.

A daily allowance for hospitalization.

A daily allowance for nursing fees.

An allowance for X-rays if necessary.

A capital sum for permanent disablement or accidental death.

There are, of course, variations from these in individual policies and the amount of indemnity varies according to the contract. But the protection is available.

Each year over $1 million is paid out for accident claims. In 1938 the amount paid for personal accident was $1.2 million and in 1937 $1.3 million. These sums were in addition to sums paid out under workmen's compensation as well as reimbursement to injured people under liability clauses of automobile policies.

Statistics show that there are 10 times as many accidents in which people are disabled as there are fires. The number of non-fatal but disabling accidents in a year in Canada is estimated by insurance men at over 600,000. At this rate one in every 20 persons is due for an accident during the year.

Insurance Problems

Standard Life

I have been approached to buy a policy with the Standard Life Assurance Co. Please tell me something about the history of the company, its financial standing, record, etc.

This company was found in 1825 at Edinburgh, Scotland. It commenced business in Canada in 1833. In 1925 when just 100 years old it was reorganized on a mutual basis, and is now purely a mutual company. The management has consistently made strength and solidity its aim rather than a great volume of business. A result has been that it has been able to maintain a generous scale of bonuses to its policyholders. During the last fiscal year, ended Nov. 15, 1938, new insurance effected set a new high record at over $32.3 millions (taking £1 equal $5). Of the new business, $22.2 millions was ordinary life and $9 millions group. Total life insurance funds at the close of the year were over $150 millions. Total premium income for the year was $11.5 millions, while interest revenue was over $6 millions. The company showed a decrease in death claims during the year, in spite of expanding business. The company's affairs are administered economically. Its investments are valued conservatievly. Assets in Canada are over $28 millions.

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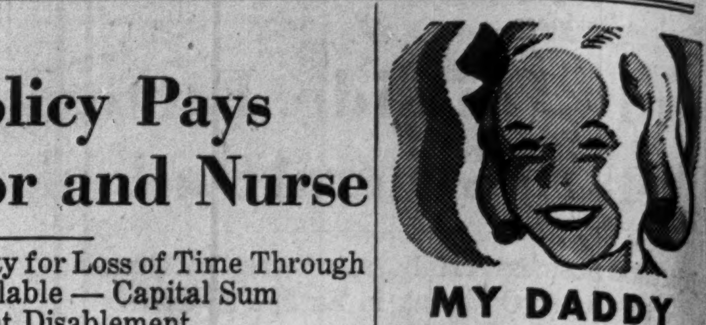

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Taxation Cripples Industry

Government's Share Is Often Greater Than Dividends

By GORDON M. GRANT
Staff Writer, The Financial Post

Most company reports for 1938 have now been issued and on one point there appears to be universal agreement. An increasingly heavy burden of taxation is not only crippling business, but is checking any general revival, discouraging new undertakings.

For nearly 10 years taxes have tbeen on the increase. In 1938 taxation is estimated to have taken slightly over 25% more of each dollar of national income than in the previous year and about half as much again as in 1929. Although the national income declined 8% in 1938, taxes collected are estimated to have increased over 10%. In spite of this increasing burden, governments have not balanced their budgets and business fears that new tax sources will be sought.

Taxes Paid by Industry

Although all taxes are not paid directly by business, taxes must usually be met either by proceeds of industry or by services. A higher sales tax may possibly be passed along by the manufacturer and middleman to the consumer, but if prices are inflated by a higher tax, consumers in general are not likely to buy as freely. The manufacturer's business then falls off and profits decline unless costs and prices are reduced the amount of the tax. Many of the manufacturers' costs are fixed and there is a definite limit to which cost-cutting can be carried. In one way or another, the manufacturer seems almost certain to pay part of the sales tax for which he usually considers himself just a collector.

A Huge Volume Paid

The total of taxes in Canada is now more than double all dividends paid by Canadian limited companies. What a big slice of the profits taxes now absorbs from representative Canadian companies is seen from the accompanying table. Taxes and earnings are shown on a per share basis, but individual shareholders must still face personal income tax on dividends.

Simpson Ltd. has made an interesting compilation of its taxes. In 1938 taxes paid amounted to $826,308 while taxes collected were $148,066, the latter representing Dominion sales tax, Montreal retail sales tax and Saskatchewan education tax. Tax on gasoline consumed took $20,-987. In addition, the firm reports $905,824 was paid by way of duties, sales and excise taxes on importations, and a further $1,946,100 was estimated as the amount of sales tax contained in purchases.

Taxes More Than Dividends

Firms paying more taxes than dividends are not uncommon and there are also a great many firms in Canada which are not making any profits, but must still pay heavy taxes. Canadian Cottons lost $3.80 a share last year, but paid $24.67 a share in taxes.

Public utilities are used as big tax collectors. Montreal Light, Heat & Power, Union Gas Co., Consumers' Gas and Bell Telephone all pay taxes which are equal to nearly half their net profits. Ottawa Light, Heat & Power Co. pays taxes greater than its total profits.

While the Montreal municipal sales tax was the only tax for which Montreal Light, Heat & Power acted as a collecting agent in 1938, the company's own tax bill of $3.5 millions represented 15 separate imposts by federal, provincial and municipal authorities. The Dominion Government took half the total through income and sales taxes, export duties and water rentals. Seven levies by the provincial authorities, including capital, income royalty taxes, took just over $850,000. Municipal and school levies made up the balance of the huge tax bill.

Mining is Different

In mining, taxes assume a somewhat different position. Metals produced are largely sold in a world market and there is little chance of passing along a new tax to the consumer. As mine taxation increases, the possibility of treating lower grade ore along with the better grade disappears unless the tax is levied on surplus alone. Once the lower grade ore is passed by, it may never again pay to mine it.

Figures have been compiled by the Ontario Mining Association, giving tax experience of seven Ontario gold mines on a regular dividend basis for eight years or more. Taxes on a per ton basis show a practically steady increase from 1932 to 1937. A decline of 15 cents a ton in 1938 was caused by lower profits due to a drop of $1.05 per ton in the average grade of ore treated. In six years the average grade of ore treated has dropped altogether $4.90 a ton. Taxes during this time, however, have shown an increase from 59 to 90 cents a ton.

Earnings & Taxes are Compared

	Per share earnings•	Dividends per share.	Taxes paid per share	Other taxes collected
	$	$	$	$
Agnew-Surpass (shoes)	1.13	.80	.81	71,038
Bank of Toronto	19.40	10.00	6.46	*
Bell Telephone	8.06	8.00	3.78	606,548
B. A. Oil	▲1.14	1.00	1.06	*
Building Products	.77	.27½	.19	97,414
Canada Northern Power	2.14	1.20	1.37	*
Canadian Canners	nil	nil	2.06	*
Canadian Cottons	d3.80	4.00	24.67	*
Consolidated Smelters	1.90	2.50	.43	*
Consumers' Gas	8.52	10.00	3.93	349,155
Distillers Corp. Seagrams	3.75	1.50	.40	2,252,503
Dominion Stores	d.53	nil	.50	2,019
Gatineau Power	.82	.40	.28	31,486
Goodyear Tire	7.50	7.50	1.76	633,118
Gypsum, Lime and Alabastine	0.17	nil	1.29	77,550
Hinde & Dauch (paper box)	1.42	1.00	.50	18,523
Hiram Walkers (distillers)	8.04	4.00	1.60	2,079,868
Lake Shore Mines	3.87	5.00	.70	*
McIntyre Porcupine Mines	4.24	2.00	.87	*
Montreal Light Heat & Power	1.94	1.50	.79	258,911
National Steel Car	9.28	2.00	2.04	700,360
Ogilvie Flour Mills	1.09	.75	.41	64,101
Ottawa Light Heat & Power	1.17	.25	1.59	nil
Simpsons (merchandise)	.45	nil	3.45	148,066
Union Gas Co.	1.29	.80	.48	*

*Not available. •Calculated on total common stock only. ▲Amount derived from Canadian operations only. d—Deficit.

Tax Analysis of Ontario Gold Mines

Taxes paid by the seven Ontario gold mines which have been on a regular dividend basis for eight years or longer

Taxes	1932	1934	1936	1938
Dominion	$	$	$	$
Income	1,450,269	2,555,292	3,507,400	3,356,702
Province				
Mines profit	913,885	1,307,399	1,335,944	1,209,626
Corporation	100,686	171,824	255,037	240,441
Municipal	192,320	153,110	199,373	204,519
	2,657,160	4,187,625	5,297,754	5,011,288
Tons treated	4,519,000	4,965,678	4,989,104	5,546,976
Taxes, per ton	59c	84½c	$1.06	90c
Gold produced (ozs.)	2,060,976	1,814,610	1,731,238	1,753,650
Taxes, per oz.	$1.29	$2.30	$3.06	$2.86

Note:—The above does not include a marketing charge on gold bullion levied by the Dominion Government, which for 1938 is estimated at $350,000 more than actual cost to the Government. Sales and excise taxes included in purchases also not included.

Col. McGee Estate Reflects Connection With Eaton Co.

More than $930,000 of the $1.3 million estate of Col. Harry McGee, Toronto, who died April 10, was in securities of or invested with T. Eaton Co. Col. McGee was vice-president and director of this organization and his estate largely reflects that connection. Balance was chiefly in real estate and Dominion of Canada bonds.

The estate as filed with the succession duties branch of the Ontario Government was as follows:

Household goods & furniture	$ 30,509
Farming implements, etc.	1,500
Farm livestock	2,342
Book debts & promissory notes	6,583
Mtges. & agreements for sale	5,841
Life insurance	16,302
Stocks	3,280
Bonds	372,739
Cash	5,572
Farm produce	425
Other personal property	675,671
Real estate	171,963
Total	$1,292,727

Real estate was the second largest investment held by Col. McGee and $103,000 of Dominion of Canada 4% bonds, due 1952 was the next largest item.

A list of bonds, stocks and other investments held by Col. McGee follows:

Face value	Bonds Description	Market value
$		$
20,000	T. Eaton Co. 5/39	20,271
50,000	T. Eaton Co. 5/41	50,678
40,000	T. Eaton Co. 4/40	40,488
40,000	T. Eaton Co. 4/41	40,488
70,000	T. Eaton Co. 10%—payable on 30 days' notice by either party. May not be transferred or pledged without consent of company	70,173
30,000	T. Eaton Realty 4/51	33,576
103,000	Dom. of Canada 4/52	112,723
4,342	Interest to date of death	4,342
		372,739

Stocks

Shs.	Class	Description	$ Mkt. val.
5	p.	Alexandra Lawn Bo'ling	no val.
4	p.	Camp Wanapeti Ltd.	no val.
2	c.	Cold Creek Trout Club	no val.
20	c.	Connaught Bldg. Corp.	no val.
100	c.	Granite Club	no val.
14	c.	Masonic Temple Corp.	no val.
4	c.	Mississauga Golf Club	32
5	c.	Naval & Military Publishing Co.	no val.
20	p.	Naval & Military Publishing Co.	no val.
3	p.	Stanley Thompson & Co.	no val.
1	c.	Stanley Thompson & Co.	no val.
1	c.	Uplands Golf & Country Club	5
1	c.	Windermere Golf & Country Club	no val.
1	c.	Winnipeg Horse Show	no val.
109	c.	Maple Leaf Gardens	341
540	p.	Maple Leaf Gardens	2,903
			3,280

Other Assets

Interest in Eaton pension fund society (subject to income tax)	$197,657
T. Eaton Co. current account	294,949
T. Eaton Co. special account (subject to income tax)	154,743
Executors' compensation re Sir John C. Eaton estate (subject to income tax)	27,728

Your Investments

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Fraser Companies

Can you tell me the reason for the decline in price of Fraser Companies bonds in recent months?

One reason for the decline in the price of bonds of Fraser Companies is the poor results in the first quarter of the current year. For the three months ended March 31, 1939, the company reported a net loss of $263,003 after all charges including bond interest and depreciation. This compares with net income of $142,929 in the same period of 1938. Recently the company was reported to be doing better, but its principal subsidiary, Restigouche Co., is still suffering from a draggy rayon pulp market. The latter has not shown any signs of material improvement and this has the tendency to hold back the gains experienced by the parent company.

Phoenix Elevator Co.

Will you kindly advise me of the present cash or market value of the shares of Phoenix Elevator Co.?

We do not know of any value for the shares of Phoenix Elevator Co. This company had $450,000 6% first mortgage bond issue ahead of its stock. Interest and sinking fund payments on the bonds have been postponed indefinitely. The company did not operate from 1935 to 1937, inclusive, but its property was leased in August of last year at a small rental. With no interest being paid on the bonds, the prospects for the company's preferred and common shares appear very dubious.

United Amusements

Do you regard bonds of United Amusements Ltd. as a safe investment? This bond has been recommended to me as a sound investment.

Bonds of United Amusements Ltd. are well regarded. The company has always earned its bond interest by a good margin both before and after depreciation. In 1938 bond interest was earned 3.67 times before depreciation and 2.50 times after depreciation. The bonds are well secured both as to earnings and assets.

Silverwood Dairies

Will you kindly favor me by supplying information on the financial position of Silverwood Dairies Ltd.?

Financial statements of Silverwood Dairies Ltd. show lower earnings in the year ended March 31, 1939. Net profit was equivalent to 41 cents a share on the 40-cent cumulative preference stock, as compared with 61 cents in the previous year. Company officials say that this decline was brought about by adverse conditions in the butter industry. This in turn was due to a weakened export market and increased production costs.

This organization is one of the most successful in the dairy industry, a business not distinguished by spectacular results in recent years.

A reorganization plan and consolidation of the company's facilities was brought about in Feb., 1936. Numerous wholly-owned subsidiaries were eliminated and operations brought more directly under the guidance of one company.

A. E. Silverwood, president, has registered protest again this year against the sales tax on ice cream. This tax, he claims, has been particularly burdensome to the company, and despite continued representation still remains. From the date of consolidation on April 1, 1936, to March 31, 1939, the company has paid $179,637 for this purpose, an average of $59,879 annually. This amount would have accrued to the benefit of the preference and common shareholders, the president states in the last annual report.

Arrears on the cumulative preference stock at the end of the past fiscal year were 60 cents a share.

At present market prices the preferred shares on regular payments would yield 10%, which would indicate the moderately speculative nature of the stock.

The company is engaged in a narrow profit business and any improvement may be expected to take place slowly.

Investors Syndicate

I have been approached by a representative of Investors Syndicate to purchase a savings certificate. Will you kindly let me know how this company operates and its standing?

Investors Syndicate sells savings certificates, which provide for regular installment payments to build up a fixed amount by the end of a period, usually 15 years. As in the case of most long-term savings plans, administrative charges are largely deducted in the early years, so that it is not until about the seventh year that cash surrender value exceeds the amount of deposits.

Payments may be discontinued for not more than two years and then resumed without penalty. In this case the term of the certificate is lengthened proportionately. During the defaulting period no interest is credited on sums already deposited. At maturity there are various options for taking of cash payments or leaving funds on deposit to earn further interest.

Under the terms of the contract the Syndicate agrees to maintain $110 in cash and investments for every $100 of certificate liabilities. Investments are to be in first liens on improved real estate, government and municipal bonds and other securities which qualify as investments for life insurance companies under the laws of New York State.

Since organization of Investors Syndicate at Minneapolis in 1894, assets have grown to $132.6 millions at the end of 1938 from $111.3 millions at the end of 1937, $90.9 millions in 1936 and $3.7 millions in 1921.

Of the assets shown on the company's balance sheet at the end of 1938, $4.5 was in cash; $28.2 in bonds and other securities; $47.4 in federal house administration insured mortgages and $32.8 was in first liens on real estate. There were $7.1 millions of mortgage loans endorsed by the company and $5.9 millions of loans on certificates and contracts. The company held $5.4 millions of real estate. No information is published as to earnings on investments.

Liability for certificate cash surrender value amounted to $84.1 millions; advance payments on contracts, $10.5 millions: contingent liability reserves $17.5 millions; contingent liability as endorser on mortgages, $7.1 millions and contract on certificate reserves of $6.1 millions.

Dominion Square Control Passes

Bondholders Pass Plan for Reorganization of Company

From Our Own Correspondent

MONTREAL.—Reorganization of Dominion Square Corp., whereby control passes to first mortgage bondholders, has been approved by holders of 82% of the outstanding bonds.

The plan cancels $4,690,000 6% first mortgage sinking fund bonds with interest arrears from April 1, 1935. Substituted therefor are $3,517,500 4% first mortgage bonds due July 1, 1959, and 46,900 no par common shares.

Distribution is on the basis of $750 in bonds and 10 common shares for each $1,000 6% bond held.

General mortgage bondholders have agreed to cancel $2,971,000 6½% bonds on which no interest has been paid, for a payment of $150,000 cash. They also make available all common and preferred shares for the corporation purposes.

BELL STOCK ISSUED

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has authorized the Montreal Trust Co. to register 659 additional shares of its capital stock, making the total number of shares issued 805,257.

Can. Northern Power Widens Power System

From Our Own Correspondent

MONTREAL.—During the past quarter, a contract was entered into with West Malartic Mines by Canada Northern Power Corp., according to the quarterly statement sent to shareholders. Construction work is well advanced on the short transmission line to provide service.

The distribution system, the company reports, for the townsite of Pascalis, near the Perron and Cournor mines, 15 miles east of Val D'Or, P.Q., has been completed and is now in operation. A similar installation has also been provided for Rouyn South, which is a new development in the vicinity of Rouyn.

At the Waite-Amulet Mine, the new mill is rapidly approaching completion which, when in operation, will materially increase the power load of that property.

At the town of Elk Lake, Ont., the 10-year franchise under which the company operates, was renewed by the electors.

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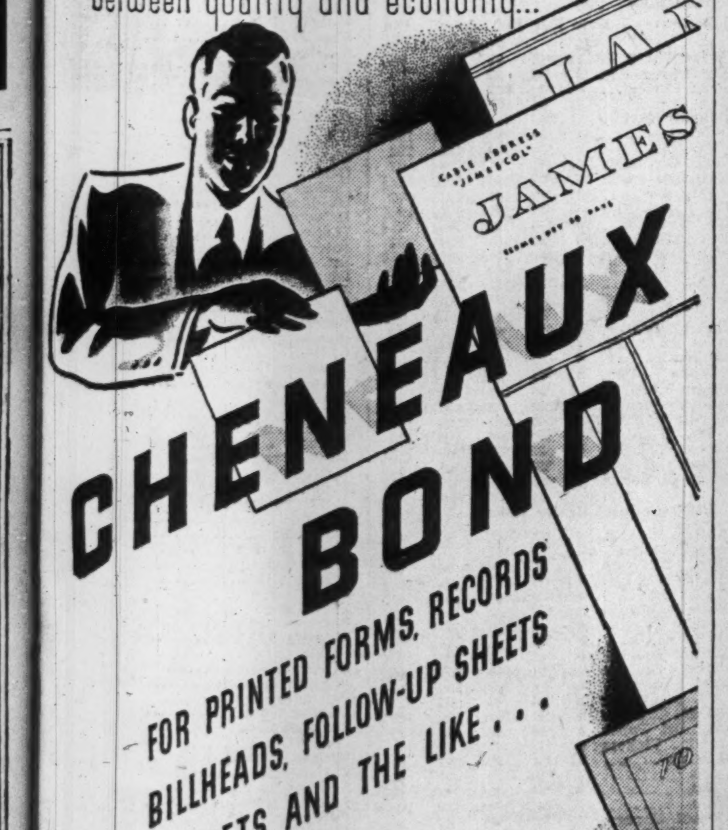

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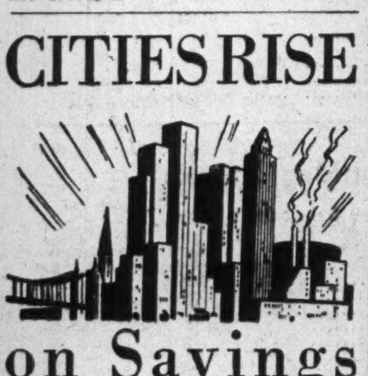

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Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

The Week's Quotations

WEEK ENDING JULY 17

Range 1939 High	Low	Div R'te $	Jly15 Y'ld %	Stock	Sales	Last July 10	Week end. July 17 H	L	Cl'se
				A					
2.87	.50	.	...	Abitibi	2140	.55	.60	.55	.55
21¼	3½	.	...	Do. pref. 6%	1365	3½	4	3½	4
21	4½	.	...	Do. pref. 7%	....	(4¼ bid 6 asked)			
4	3¾	30c	7.5	Acadia Sugar	....	(3¾ bid 4¼ asked)			
5¾	5¾	30c	5.2	Do. pref.	....	(4¾ bid — asked)			
5	3	.	...	Acme Glove	....	(2 bid 5 asked)			
*82	60	.	...	Do. pref.	....	(— bid 60 asked)			
10	9½	60+20c	8.6	Agnew Surp.	....	(9¾ bid 11 asked)			
110	104	7	6.5	Do. pref.	....	(105¾ bid — asked)			
2.50	1.50	.	...	Alta. Pac. Gr.	225	1.75	2.50	2.12	2.25
24	13	.	...	Do. pref.	115	21	21½	20	21½
14¼	6¾	.	...	Algoma Steel	355	9¾	10¼	10	10¼
70	51	.	...	Do. pref.	....	(70 bid 72 asked)			
140	112	25c+10%	...	Aluminum	25	120	130	130	130
112	111½	6	5.4	Do. pref.	....	110¼ bid 112¼ asked			
2¼	1	.	...	Amal. Electric	....	(1 bid 1¼ asked)			
30	29	.	...	Do. pref.	....	(— bid 28¼ asked)			
22¼	22¼	60c	2.7	Amer. Cyn. B.	....	(22¼ Jan. 26)			
50	47	2.75	5.8	Ang. Can. Tel. p	....	(48¼ bid 50 asked)			
28¼	19	60+15c	3.2	Asbestos	2006	22	23¼	22	23¼
16¾	14¼	80+45c	7.4	Assoc. Brew.	10	16¼	16¾	16¾	16¾
115	109	7	6.4	Do. pref.	....	(110 bid 115 asked)			
*6¼	6¼	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
31	29	1.26	...	Do. pref.	....	(29 June 29)			
102	101¼	5.50	5.4	Ault & Wiborg.	....	(100¾ bid — asked)			
				B					
168	162	8	4.8	Bk. Can. Nat.	23	168	166	165	165
223	203	8	3.7	Bk. Montreal	29	213	215	213	215
310	300	12	4	Bk. N. Scotia	95	300¼	302	300	300¼
255	239	10	3.9	Bk. Toronto	7	252	252	252	252
5	4¼	.	...	Barcelona	....	(4 bid — asked)			
7¼	4	.	...	Barker's Bread.	415	6	7	5¾	5¾
39¾	20	2.50	6.7	Do. pref.	625	35	39¾	37	39
8¼	5	25c	...	Bathurst Pr.	650	5¾	5¾	5¼	5¼
3¼	¾	.	...	Do. (B)	50	1¼	1¼	1¼	1¼
1.50	.50	.	...	Bawlf Grain	100	1.10	1.10	1.00	1.10
17	15	.	...	Do. pref.	....	(15 bid — asked)			
3.00	1.50	.	...	Beath & Sons	....	2.00 bid 2.37 asked			
8¼	4¼	.	...	Beatty Bros. A.	25	5	5	5	5
105	99½	6	5.7	Do. pref.	5	102	105	105	105
97	97	7	7.8	Do. 2nd pref.	....	(— bid 95 asked)			
5¼	2	.	...	Beauharnois	584	4¼	4¼	3¾	4¼
95	90	4	4.4	Belding Cort.	....	(— bid 95 asked)			
141	131	7	5	Do. pref.	5	140	140	140	140
178	165	8	4.6	Bell Telephone	828	175	175¾	174¾	175¾
8	6	62½c	..	Biltmore Hats	....	(7¼ bid — asked)			
5	3½	.	...	Blue Ribbon	107	3½	5	4¼	4¼
32¼	25	2.50	8.1	Do. pref.	10	30	31	31	31
24¼	18	1.30	6.8	Brant. Cord. pf.	....	(— bid 21 asked)			
12¾	7¼	.	...	Brazilian Tr.	5339	8¾	8¾	8¼	8¾
5¾	3¼	50+25c	...	Brew. & Distil.	140	4¼	4¼	4	4¼
6¼	6¼	30c	4.8	Bright, T. G.	....	(4¼ bid 11 asked)			
80	80	6	7.5	Do. pref.	....	(75¼ bid — asked)			
25¼	19¾	1	4.4	Brit. Amer. Oil	3174	22¼	22¾	22¼	22¼
13	11	.	...	B. C. Packers	6	13	13	12	12
28¼	21¼	2	7.3	B. C. Power A.	363	26¼	27¼	26¼	26¾
3	2	.	...	Do. (B)	5	2¼	2¼	2¼	2¼
4¼	2¼	.	...	Bruck S. Mills.	....	(2¾ bid 3 asked)			
17¼	14	70+10c	4.6	Building Prod.	1490	17	17¼	17	17
12¼	9¼	60c	6.1	Burlington Steel	....	(9 bid 10 asked)			
*3	2¼	.	...	Burry Biscuit	....	(— bid 3 asked)			
35	35	3	8.6	Do. pref.	....	(— bid 38 asked)			
				C					
82	73	.	...	Calgary Power.	....	(70 bid 76 asked)			
99¼	93¾	6	6.1	Do. pref.	35	99¼	98	98	98
5¼	2	.	...	Canada Bread.	225	5	5	5	5
105	97¼	5	4.8	Do. pref.	....	100¼ bid 105 asked			
56	49	2.50+75c▲	4¼	Do. pref. B	10	53	55	54¼	54¼
5	3¾	40c	8.9	Canada Bud	115	4¼	4¼	4¼	4¼
10¾	7	.	...	Canada Cement.	625	7	8	7	7¾
102¼	89	5	5.3	Do. pref.	114	95	95	93	93¼
105	101	1.55	...	Canada Cycle, p	....	103 bid 104¼ asked			
28¾	25¼	1.50	5.7	C. & D. Sugar.	1570	26	26¼	26	26¼
20¾	12	.	...	Canada Dry	12900	17¾	18¼	17¾	18¼
13	7	.	...	Can. Forg. (A)	....	(— bid 10 asked)			
10	7	.	...	Do. (B)	....	(7 bid — asked)			
20	20	.	...	Can. Iron	1	20	20	20	20
55	50	5	9.1	Do. pref.	12	50	55	55	55
38	32	1.50+50	5.3	Can. Malting.	186	36¾	37¼	37	37¼
18	13¼	1.20	7.6	Can. Nor. Pr.	365	15¼	15¾	14¼	14¼
112	107	7	6.3	Do. pref.	56	111¼	111¼	110	110
83	66	3+1	4.8	Can. Packers	90	82	85	82	85
*7	1¾	.	...	Can. Paving, pf.	....	(— bid 2 asked)			
152	140	8	5.3	Can. Perman.	21	149	150¼	150	150
7¼	6	.	...	Can. Starch	....	(6 bid — asked)			
108	108	7	6.5	Do. pref.	....	(108 bid — asked)			
3.63	1.50	.	...	Can. Steamsh's	216	1.50	1.65	1.60	1.65
10¼	6¾	50c	6.7	Do. pref.	247	8	8¾	7¼	7¼
14	10¼	1.20	10.4	Can. Vinegars	89	11¾	11¼	10¼	11¼
65	55	4	7.3	Can. W. Cable.	17	55	55	55	55
22	14	25c	...	Do. (B)	68	16¼	15	15	15
107¼	101	6.50	6.1	Do. pref.	....	106 bid 107¼ asked			
1	1	.	...	Can. Bakeries	....	(¼ bid 1¼ asked)			
45	25	.	...	Do. pref.	....	(35 bid 40 asked)			
179	159	8	4.7	Can. Bk. Com.	260	167¼	169	166	166
1.80	.90	.	...	Can. Breweries	25	1.10	1.10	1.10	1.10
23	17¼	2	9.4	Do. pref.	70	20	21¼	20¾	21
39	30	1.50	4.4	Can. Bronze	5	33	34	34	34
106	105	5	4.8	Do. pref.	....	(105¼ bid — asked)			
4¼	3	.	...	Can. Canners	....	(2¼ bid 3¾ asked)			
19	16¼	1	5.7	Do. 1st pfd.	95	17¼	18	17	17¼
7¼	6	60c	8.4	Do. 2nd pfd.	495	7	7¼	6¾	7
18	7¾	.	...	Can. Car & Fd'y	1695	9	9¾	9	9¼
34¼	17¾	.	...	Do. pref.	169	21	21¾	21	21¼
17¼	10¼	50+35c	..	Can. Celanese	895	16¼	17¼	16¼	16¾
111	95	7	6.4	Do. pref.	90	108	110	109	110
21	17¾	1	...	Do. Rights	....	(20 bid 21 asked)			
8	4	.	...	Can. Convert.	....	(4 bid 7 asked)			
65¼	63	4	6.3	Can. Cottons	2	63	63¼	63¼	63¼
105	100	6	5.8	Do. pref.	....	(103¼ bid — asked)			
23¼	14	1	7.2	Can. Dredge	85	16	16	14	14
102¼	98¼	6	5.8	Can. Fairb. pf.	....	(100¼ bid — asked)			
13	6¼	70c	7.4	Can. For. Inv.	30	9	9¼	9¼	9¼
100	90	8	8.9	Do. pref.	....	(90 Mar. 14)			
255	200	6	2.4	Can. Gen. Elec.	....	(245 bid — asked)			
8¾	7	50c	5.9	Can. G. Inv.	20	8¼	8¼	8¼	8¼
2.87	1.50	10c	...	Can. Ind. Alc.	1235	1.80	2.00	1.80	1.80
2.87	1.25	10c	...	Do. (B)	....	1.60 bid 1.90 asked			
225	192¾	6	3	Can. Indust. B.	1	199	202	202	202
175	165	7	4	Do. pref.	....	170¼ bid 172¼ asked			
.75	.25	.	...	Can. Int. I. Tr.	....	(.25 bid .90 asked)			
46	40	2	...	Do. pref.	....	(— bid 44 asked)			
15	14	1	6.9	Can. Lt. & Pr.	....	(14 bid 18 asked)			
8	4	.	...	Can. Locomo.	30	5	4¼	4	4
20	18	.	...	Can. Mach'y, p.	8	20	20	18	18
1.75	.75	.	...	Can. Marconi	815	1.15	1.20	1.05	1.20
20	13¼	50+25c	5	Can. Oil	500	14¼	14¼	14¼	14¼
122	106	8	6.8	Do. pref.	5	116	117	117	117
6¾	3¼	.	...	Can. Pacific	5367	4	4¾	4	4¾
.75	.30	.	...	C. Pr. & Pa. In.	....	(.50 bid 1.00 asked)			
4¼	3¼	.	...	Do. pref.	8	3¼	3¼	3¼	3¼
10	2	.	...	Can. Vickers	395	2¾	3¾	3	3¾
41	12¼	.	...	Do. pref.	65	13	16	16	16
15	9	50c	5.5	C. Wallpaper A.	25	17¼	17¼	17¼	17¼
13	9	50c	5	Do. (B)	....	(9 bid 12 asked)			
60	55	2	3.3	Can. West'ho'se	....	(50 bid 53 asked)			
4	2¼	25c	...	Can. Wineries.	45	3¼	3¾	3¼	3¾
20¼	16	1.50	8.7	Can. Wire Box.	....	(17¼ bid 18 asked)			
3.00	1.00	.	...	Capital Estates.	49	1.00	1.10	1.00	1.00
108	103¾	5	4.7	Carnation, pfd.	25	106	106	106	106
8¼	6	50c	6.2	Catelli Food	30	8	8	8	8
13	11	75c	6.2	Do. pref.	....	(12 bid 13 asked)			
1.60	1.60	.	...	Celtic Knit.	....	(— bid 1.75 asked)			
165	160	8	4.8	Cent. Can. L'n.	....	(155 bid — asked)			
100	100	4+1	5	Chart. Trust	....	(90 bid 100 asked)			
.70	.25	.	...	Chem. Research	1100	.30	.32	.30	.30
1.10	.10	.	...	City Gas & El.	220	.15	.15	.10	.10
.15	.05	.	...	Claude Neon	....	(.10 bid .15 asked)			
1.35	1.10	12c	8.9	Coast Brew.	1360	1.35	1.35	1.33	1.35
8¼	5	.	...	Cockshutt Plow	515	6¼	6¾	6	6¾
2.50	1.50	10c	...	Comm. Alcohol	765	1.70	1.75	1.65	1.75
5¾	4¾	40c	7.6	Do. pref.	....	(5¼ bid 5¼ asked)			
4	3	30c	10	Conduits Nat.	....	(2 bid 3¼ asked)			
17¼	14	1+15	6.9	Cons. Bakeries.	125	17	17	16¼	17
.05	.05	.	...	Cons. Div. Sec.	....	(.05 bid .15 asked)			
8¼	6¼	75c	9.4	Do. pref.	25	8¼	8	8	8
7¾	3¼	.	...	Cons. Paper	5715	3¾	4¼	3¼	4¼
6	5	.	...	Cons. Press	....	(5 bid 8¾ asked)			
75	60	1.75	...	Cons. Sand, pf.	....	(60 bid 70 asked)			
61¼	37¼	1+1	4.8	Cons. Smelters	3512	40	42¼	40	42
[illegible]	175	10	5.6	Consumers' Gas	87	177	178	176¾	176¾
[illegible]	20¼	.	...	Corr. P. Box, p.	....	(21¼ bid 25 asked)			
22	16¾	1	5.6	Cosmos Imp.	77	17	18	18	18
[illegible]	101	5	4.8	Do., pref.	....	(103¾ bid — asked)			
[illegible]	21	1.60	6.1	Crown Cork	115	25	26	25¼	26
[illegible]	2	.	...	Crown Dom. Oil	....	(3 bid 4¼ asked)			
[illegible]	24	3	...	Crow's N. Coal.	25	30	30	30	30
[illegible]	.65	.	...	Cub Aircraft	50	.90	.65	.65	.65
				D, E					
17	11¼	60+20c	6.4	David & Fr. A	50	12¼	12¼	12¼	12¼
[illegible]	1¼	.	...	Do. (B)	....	(— bid 2 asked)			
[illegible]	7	.	...	de Havilland	....	(6 bid 9 asked)			
[illegible]	70	.	...	Do. pref.	150	80	80	80	80
[illegible]	2¼	.	...	Disher Steel	....	(2¾ bid 4¼ asked)			
[illegible]	9	.	...	Do. pref.	....	(— bid 10 asked)			
[illegible]	15¼	2	10.9	Distill-Seagram	1355	18	18¼	17¾	18¼
[illegible]	82	5	5.9	Do. pref.	150	85	86	85¼	85¼
[illegible]	30	.	...	Dom. Ang. Inv.	....	(30 bid 48 asked)			
[illegible]	75	5+2.50▲	...	Do. pref.	....	(75 bid 84 asked)			
[illegible]	200	10	4.8	Dom. Bank	31	207	207¼	207¼	207¼
[illegible]	23¾	1.20	4.1	Dom. Bridge	387	27¼	29¼	27¼	29¼
[illegible]	15	1.50	8.1	Dom. Coal, pf.	630	18¼	18¾	18¼	18¼
[illegible]	21	.	...	Dom. Engineer.	....	(20 bid 30 asked)			
[illegible]	19	90c	...	Dom. Foundries	450	22	22¾	22	22
[illegible]	104¼	6	5.6	Do. pref.	....	103¼ bid 106¼ asked			
[illegible]	105	5	4.4	Dom. Glass	172	115¼	114	112	114
[illegible]	146¼	7	4.3	Do. pref.	10	162	162	162	162
[illegible]	31	.	...	Dom. Oilcloth	....	(29 bid 31 asked)			
[illegible]	¾	.	...	Dom. Scot. Inv.	35	¾	¾	¾	¾
[illegible]	25	1.20	...	Do. pref.	70	28¼	29	29	29
[illegible]	7¼	.	...	Dom. St. & C.B.	5696	10¼	11¾	10¼	11¾
[illegible]	3	.	...	Dom. Stores	210	7	7	6¼	7
[illegible]	4	.	...	Dom. Tar & Ch.	410	5	5¼	5	5¼
[illegible]	69	5.50	6.9	Do. pref.	10	80	79	79	79
[illegible]	55	5	7.7	Dom. Textile	65	63¼	65	65	65
[illegible]	147	7	4.6	Do. pref.	....	(156 bid — asked)			
[illegible]	3	.	...	Donnacona P.A.	335	3¾	4	3¼	4
[illegible]	3	.	...	Do. (B)	61	3¼	3¼	3¼	3¼
[illegible]	2¼	.	...	Dryden Paper	60	3¼	4	3¾	4
[illegible]	.30	.	...	East Koot. Pr.	....	(— bid 75 asked)			
[illegible]	6	.	...	Do. pref.	....	(6 bid 8 asked)			
[illegible]	.50	.	...	East Dairies	25	.50	.55	.55	.55
[illegible]	2¼	.	...	Do. pref.	20	2¼	2¾	2¾	2¾
[illegible]	14	1	6.7	East Steel	....	(14 bid 14¼ asked)			
[illegible]	95	7	7.8	East Theat. pf.	....	(90 bid 96 asked)			
[illegible]	1.65	.	...	Easy Washing	....	1.60 bid 2.00 asked			
[illegible]	22	2.25	...	Economic Inv.	....	(22¼ bid 25 asked)			
[illegible]	9	1.20	12	Electrolux	213	10	10	10	10
[illegible]	.50	.	...	Enam. & Heat.	....	(.60 bid — asked)			
[illegible]	25	2.50	9.2	English Electric	140	29¼	27	25	27
[illegible]	4	.	...	Do. (B)	110	4	4¼	4¼	4¼
[illegible]	5	15c	...	Equitable Life	16	5¾	5¼	5	..
[illegible]	5¼	60c	10	European El. A	....	(5¼ bid 6 asked)			
[illegible]	.01	.	...	Do. Warrants	....	(.10 bid — asked)			
				F, G					
[illegible]	3¼	.	...	Fairchild Air.	455	4	4¼	3¾	4¼
[illegible]	18	1	4.2	Fam. Players	338	23¼	23¼	23¼	23¼
[illegible]	19	1+50c	6.4	Fanny Farmer.	1225	22¼	23¾	22¾	23¼
[illegible]	5	.	...	Fleet Aircraft	[illegible]54	5¼	5	5¼	
[illegible]	.00¼	.	...	Do. Rights	10985	.04	.10	.00¼	.00¼
[illegible]	3	.	...	Fleury Bissell	....	(1 bid 1¼ asked)			
[illegible]	25	.	...	Do. pref.	....	(25 bid 26 asked)			
[illegible]	16¼	1	5	Ford Motor A.	1584	19¼	20¼	19¾	20¼
[illegible]	17¼	1	5.4	Do. (B)	....	(20 bid 20¾ asked)			
[illegible]	.15	.	...	For. Pr. Secs.	....	(.20 bid .35 asked)			
[illegible]	7	.	...	Foundation Co.	55	7¼	8	7¾	8
[illegible]	7	.	...	Fraser Cos.	75	7¼	9	8	9
[illegible]	7¼	.	...	Do. Vot. Pr.	800	8	9¼	8	[illegible]

Range 1939 High	Low	Div R'te $	Jly15 Y'ld %	Stock	Sales	Last July 10	Week end. July 17 H	L	Cl'se
.30	.25	.	...	Freiman	....	(.30 bid — asked)			
38	34	.	...	Do. pref.	....	(— bid 33 asked)			
16¼	11	40c	...	Gatineau Pwr.	284	14	14¼	14	14
95	87	5	5.3	Do. pref.	766	92¾	94¼	93	94¼
6	2¾	.	...	Do. Rights	145	4¼	4¼	4¼	4¼
8	4¾	.	...	Gen. St. Wares.	170	5	5¾	5¼	5¼
83	55	1.75	...	Do. pref.	92	65	68	65	68
78¼	66	2.50+5	10	Goodyear Tire.	55	72	74	73¼	74
58¼	54	2.50	4.3	Do. pref.	74	57	58	57	57
9	5	.	...	Gt. Lakes Pap.	....	(— bid 6 asked)			
15	12	.	...	Do. pref.	....	(— bid 12 asked)			
7	2¼	.	...	Do. Vot. Tr. c	105	4¼	5¼	3¾	5¼
17	10¼	.	...	Do. Vot. Tr. p	145	11	12	11	11
.75	.75	.	...	Gt. W. Saddlery	10	.75	.75	.75	.75
*25	18	.	...	Do. pref.	....	(— bid 20¼ asked)			
12¼	10	60c	5.9	Greening Wire.	80	10¼	10¼	10¼	10¼
6¼	5	†30c	...	Gurd. Chas.	75	5¼	5¼	5¼	5¼
108	105	7	6.7	Do. pref.	50	108	105	105	105
7	3¼	.	...	Gypsum. Lime.	2115	4¼	4¾	4¼	4¾
				H, I					
6.00	.75	.	...	Ham. Bridge	25	.75	.75	.75	.75
36	24	.	...	Do. pref.	....	(24¼ bid 30 asked)			
29	27	2	7.4	Ham. Cot., pf.	....	(— bid 27 asked)			
1.00	.25	.	...	Ham. U. Theat.	....	(.50 bid .95 asked)			
60	49¼	6	10	Do. pref.	....	(60 bid 50 asked)			
4	2¼	20c	5.7	Harding Carpet	....	(3 bid 3¾ asked)			
*5	2¼	.	...	Hillcrest Coll.	....	(— bid 1¼ asked)			
1¾	1¾	.	...	Do. pref.	....	(1¾ bid 12 asked)			
15	8	50c	5.3	Hinde & Dauch	15	9¼	9¼	9¼	9¼
*20	20	.	...	Holt Renfrew	....	(— bid 15 asked)			
40	40	.	...	Do. pref.	....	(— bid 35 asked)			
..	..	.	...	Honey Dew, n.	....	(10 bid 11¼ asked)			
13¼	10	.	...	H. Smith Pap.	290	10	11	10¼	10¾
96¼	88	6	6.3	Do. pref.	....	(94 bid 96¼ asked)			
15¼	12	1	7.7	Humberstone S.	70	14	13	12	12
3	2	.	...	Hunts (A)	....	(2 bid 4 asked)			
*10	3	.	...	Do. (B)	....	(2 bid 4 asked)			
70¾	64¼	4	5.7	Huron & E. Mt.	13	67	70	65	65
10	8¼	80c	...	Do. 20% pd.	....	(8¼ bid 9 asked)			
4¼	3	20c	5.2	Hydro Electric.	....	(3¼ bid 4 asked)			
221	202¼	10	4.6	Imperial Bank.	32	218	215	215	215
17¼	14	50+75c	8.2	Imperial Oil.	7624	15	15¼	15	15¼
17	15	40+22½c	3.7	Imperial Tob.	2989	16¾	16¾	16¾	16¾
8	7	6%	...	Do. pref.	....	(7¼ bid 8 asked)			
33	28	2+12½c	7	Indust. Accept.	10	29	29	29	29
35	25	3	...	Inter-City Bak.	25	32¼	33	33	33
55	45	4+2	12	Inter'c Coal	....	(40 bid 55 asked)			
*126	119¾	8	6.7	Do. pref.	....	(— bid 124 asked)			
20	15	1.50	8.8	Inter. Bronze	....	(15 bid 17 asked)			
26¼	23	1.50	...	Do. pref.	....	(23 bid 25¼ asked)			
.30	.30	3c	...	Int. Coal & C.	....	(.25 bid .40 asked)			
b8¼	3¾	.	...	Int. Hyd. E. A.	4400	4¼	5¾	4¾	5¾
7¾	3¾	.	...	Int. Metal Ind.	95	4¾	5	4¼	5
91¼	70	6+4.25▲	7	Do. pref.	80	85	88	85	85
88	70	6+4.25▲	7.2	Do. pref. A	....	(84 bid 87 asked)			
107	104	5	4.7	Int. Mill., pf.	15	105	107	106	107
56¾	42¼	2	4	Int. Nickel	13607	45¾	49¾	46	49¾
3	2	.	...	Int. Paints	....	(— bid 2¼ asked)			
13	11¾	1+25c▲	7.7	Do. pref.	....	(12¼ bid 13 asked)			
b14¾	6¾	.	...	Int. Pap. & P.	12400	7¾	9¼	7¾	9¼
b51¾	26¼	.	...	Do. pref.	13100	29¾	35¼	30	35
27¾	20¾	1.50+50	9.1	Int. Pete.	3740	21¾	22¼	21¾	22¼
4	3	.	...	Int. Power	....	(— bid 4 asked)			
81	69	6	8.1	Do. pref.	30	75	74	71	71
*11¾	10¼	1.12	...	Int. St. Rlty. A.	....	(— bid 12 asked)			
*4	3¾	.	...	Do. (B)	....	(— bid 4 asked)			
10	5	.	...	Int. Util. (A)	40	8	7¾	7¼	7¼
.60	.40	.	...	Do. (B)	250	.50	.55	.55	.55
				J, K, L					
39	35¼	2	5.2	Jam. Pub. Ser.	....	(39 bid 40 asked)			
132¼	129	7	5.3	Do. pref.	....	(132¼ bid — asked)			
12	9	75c	6.8	Kelvinator	150	10	11	10¼	11
20	8¼	.	...	L. St. John Pr.	30	9	11	11	11
3.63	.50	.	...	Lake Sulphite	415	.70	.75	.50	.75
18¼	13	.	...	Lake of Woods.	1620	15¼	18¼	15¼	18¼
126	112	7	5.5	Do. pref.	30	120	126	125	126
65	55	4	7.3	Landed Bank	....	(55 bid 57 asked)			
12¼	9¾	70c	6.7	Lang, J. A.	....	(— bid 10¼ asked)			
*3	2¼	.	...	Langley's	....	(— bid 1¾ asked)			
25¼	24	1▲	...	Do. pref.	....	(20 bid 25 asked)			
13¼	10¾	80c	6.2	Laura Secord	1045	12¼	12¾	12¼	12¾
5	4¼	.	...	Legare, pref.	....	(4¼ May 30)			
5¼	4		...	Lindsay, C. W.	75	4	4	4	4
*78	66		...	Do. pref.	....	(— bid 70 asked)			
26	22	1+25c	4.9	Loblaw (A)	635	25	25¼	25	25¼
23¼	21	1+25c	5.3	Do. (B)	510	23¼	23¼	23¼	23¼
				M					
1.05	.50	.	...	Mackenzie Air.	200	.50	.55	.50	.55
2	2	.	...	MacKin. Steel.	....	(2 bid — asked)			
62	55	7	...	Do. pref.	....	(55¾ June 24)			
15	8¼	..	...	Maclaren Pr. p.	215	9¼	9¼	9	9¼
6	3¼	.	...	M. L. Gardens.	....	(5¾ bid — asked)			
8	5	70c	8.7	Do. pref.	100	7¼	8	8	8
1.65	1.00	.	...	Maple Leaf	855	1.25	1.50	1.25	1.25
5	2¼	.	...	Do. pref.	30	4	4¼	4¼	4¼
16	15¾	70+2½c	..	Maritime Tele.	....	(16 bid — asked)			
17	16¾	70c	4.2	Do. pref.	....	(17 bid — asked)			
15¾	15¼	.	...	Marcus Loew's.	....	(15¾ Feb. 16)			
*115	115	7+21▲	..	Do. pref.	....	(— bid — asked)			
7¼	4¼	.	...	Massey-Harris	4945	5	5¾	4¾	5¼
60¼	29¼	.	...	Do. pref.	2610	42	49¼	42	48
7¼	5¾	.	...	McColl Fron.	425	6	6	6	6
95	82¼	6	6.7	Do. pref.	105	87	90	88	89
1.50	1.20	.	...	Melchers	200	1.50	1.50	1.50	1.50
6¼	5	60c	11.4	Do. pref.	136	5¼	5¼	5¼	5¼
1¼	1¼	.	...	Mercantile Tran	....	(1¾ bid — asked)			
5	5	3%	...	Do. pref.	....	(4¾ bid — asked)			
*2¼	2¼	.	...	Mercury Mills	....	(— bid — asked)			
8	5¼	.	...	Do. pref.	55	6¼	6	6	6
52	50	2	3.8	Mitchell, J. S.	5	50	52	52	52
113	113	7	6.2	Do. pref.	....	(112 bid — asked)			
17	8	.	...	Mitchell, Robt.	65	8¾	9	9	9
1	1	.	...	Monarch Knit.	....	(1 bid — asked)			
24	19¼	.	...	Do. pref.	....	(20 bid — asked)			
38	25	2	5.7	Montreal Cot.	....	(— bid 38 asked)			
101	98	7	7	Do. pref.	....	(99¼ bid — asked)			
1.50	.50	.	...	Mont. Is. Pr.	....	(.25 bid 2.25 asked)			
33	29¼	1.50	4.6	Mont. L. & Pr.	4153	31¼	32¼	30	32
51¼	49¾	.	...	Do. Notes	35	51	51¼	51	51
28	25	2	8	Montreal Loan.	....	(25 bid — asked)			
1.00	.50	.	...	Mtl. Refrig. & S	....	(.50 bid — asked)			
12¾	12	1.25	...	Do. pref.	....	(11 bid 11¼ asked)			
60	50	3.20	6	Montreal Tele.	....	(— bid 55 asked)			
73	64	6	9.2	Montreal Trams	52	66	66	65	65
41	35	1.60+40c	5.1	Moore Corp.	912	38¾	40	39¼	39¾
172	155	7	4.1	Do. pref. (A)	....	(172 bid 175 asked)			
230	208	7	3.1	Do. pref. B	....	(234 bid — asked)			
.10	.10	.	...	Muirheads	....	(.10 bid .60 asked)			
*4	2¼	.	...	Do. pref.	....	(— bid 3¼ asked)			
				N, O					
42	38¼	2	5	Nat. Breweries.	2582	41	41	39¼	40¼
45¼	41	1.75	4	Do. pref.	140	44¼	45	44	45
6¾	4¼	.	...	Nat. Grocers	....	(4¾ bid 5 asked)			
25	23	1.50	6.2	Do. pref.	80	24	24	23¾	23¾
13¼	9¼	.	...	N. Sew. Pipe A.	....	(9¼ bid 11 asked)			
61¼	43¼	2	4.2	Nat. Steel Car.	2150	45	50¼	46	50¼
205	190	8	4	National Tr.	2	198	198	198	198
7¼	7¼	50c	6.9	Neon Pr. Inv.	....	(7¼ bid 7¾ asked)			
22¼	16	1	5.9	Niag. W. Weav.	....	(17 bid 19 asked)			
1.25	.50	.	...	North Star Oil.	....	(.15 bid .75 asked)			
3¾	3	35c	10	Do. pref.	....	(— bid 3¾ asked)			
95¼	92	6	6.4	N. S. L. & Pr.	....	(92¼ bid — asked)			
107	102	6	5.7	Do. pref.	....	(108¼ bid — asked)			
*15	9	.	...	N. S. Steel, pf.	....	(13 Aug. 11)			
29¼	23	1	3.8	Ogilvie Flour	1180	25¼	26¼	26	26¾
170	156	7	4.3	Do. pref.	85	160	163	163	163
112	108	5	4.6	Ontario Loan	....	(110 bid 115 asked)			
*7¼	4¾	.	...	Ont. Silknit	....	(— bid 5¾ asked)			
15	7¼	.	...	Do. pref.	....	(2 bid 12 asked)			
10	6	.	...	Ont. Steel	10	7	7	7	7
100	90	7	7.8	Do. pref.	....	(90 bid — asked)			
4¼	1¼	.	...	Orange Crush.	127	4	4¼	4¼	4¼
7¼	4	70c	10	Do. pref.	....	(7 bid 8 asked)			
55	55	2	3.6	Ottawa Car	....	(55 Feb. 8)			
8¼	6	.	...	Ottawa El. Rly.	....	(4 bid 8¼ asked)			
15	14	1	7.1	Ott. L. H. & Pr.	65	14	14¼	14¼	14¼
102	98	5	5	Do. pref.	2	99	99	99	99
				P, Q, R					
18	10	3c	...	Pacific Coyle	....	(12 bid — asked)			
104¼	93	4	3.9	Page Hersey	52	101¼	102	101	101¼
7¾	4¾	.	...	Pantepec Oil	795	5¾	5¾	5¼	5¼
12	5	.	...	Paton Mfg.	....	(5 bid — asked)			
110	100	7	7	Do. pref.	....	(100 bid 110 asked)			
43	38	3	7.8	Penmans	15	38¼	40	40	40
130¼	115	6	4.8	Do. pref.	....	(120 bid 132 asked)			
20	16¼	1	5.6	Photo Eng.	....	(17 bid 18 asked)			
101	95¼	7	6.9	Porto Rico Pr. p	....	(99¼ bid 101 asked)			
12¼	9	60c	6.3	Power Corp.	815	9¼	9¾	9¾	9¾
105	99	6	5.7	Do. pref.	70	104	104¼	103	104¼
47	41	3	6.7	Do. 2nd pref.	....	(43 bid 45 asked)			
10¾	5¼	.	...	Pressed Metals.	....	(7 bid 9 asked)			
19¾	9¼	.	...	Price Bros.	2770	10¼	11¾	10¼	11¾
58¼	36	.	...	Do. pref.	120	40	43	41	43
7¼	6¼	20c	2.7	Prov. Transport	240	7¾	7¾	7¼	7¼
19	16	1	6.2	Quebec Power	375	17	16¾	16	16¾
5	4¼	.	...	Quebec Tele.	105	5	4¼	4¼	4¼
35	32	2	6.2	Real Estate L'n.	....	(32 bid 40 asked)			
4¼	2	.	...	Regent Knit	....	(2 bid 2¼ asked)			
21	17	.	...	Do. pref.	....	(— bid 20 asked)			
2¾	2	30c	12	Reinhardt Brew	....	(2 bid 2¼ asked)			
4¼	1¼	.	...	Reliance Grain	....	(¼ bid 2¼ asked)			
*12¼	10¼	60c	...	Remington R'd.	....	(10 bid — asked)			
28	22¼	2	7.5	River S. Mill	25	25¼	26¾	25¼	25¼
3	1¾	.	...	Rogers Majest.	200	2	2¼	2	2¼
11	7	50c	5.6	Rolland Pap.	25	7	9	9	9
11	6	50c	5.9	Do. Vot. Trust	....	(8¼ bid — asked)			
99	92¼	6	6.3	Do. pref.	....	(92¼ bid 95 asked)			
193	178	8	4.2	Royal Bank	80	191	191	189	189
100	71	7	7	Russell Indust.	....	(100 bid — asked)			
125	112	7	5.7	Do. pref.	....	(123 bid 130 asked)			
				S					
107¼	103¼	5.50	5.2	Saguenay Pr. p.	15	107	107	107	107
20	17¼	1	5	Sangamo	60	20	20	19¾	19¾
6	4	.	...	Sarnia Br. (A)	....	(5 bid 6 asked)			
6	6	.	...	Do. (B)	....	(1 bid 2 asked)			
22¾	18¼	92c	4.7	Shawinigan Pr.	2707	19¾	20	19	19¼
14¼	10	.	...	Sher. Wms.	90	10	10¼	10	10¼
115	105	7	6.2	Do. pref.	....	(110 bid 115 asked)			
2¾	1¼	.	...	Silverwoods	52	1¼	1¼	1¼	1¼
5	3	40c	10	Do. pref.	175	4	4	4	4
9	7	60c	8.3	Simon & Son	....	(7 bid — asked)			
106	102	7	6.7	Do. pref.	....	(106 bid 110 asked)			
12	10	.	...	Simpson, A.	....	(7¼ bid — asked)			
5	1¾	.	...	Do. (B)	....	(4¼ bid 5 asked)			
94	78	5+1▲	5.4	Do. pref.	15	92	92	92	92
137	115	6	4.4	Simpson, R., pf.	175	136¼	137	136	136¼
12¼	10	80c	6.9	So. Can. Pr.	10	11¼	11¼	11¼	11¼
111	106	6	5.4	Do. pref.	16	110¼	110¼	110	110
4¾	2¾	.	...	St. Law. Corp.	845	2¾	3	2¼	3
15¼	7¾	.	...	Do. (A)	555	8¼	9¾	8¼	9¾
22	17¼	1	4.5	St. Law. Flour.	....	(22 bid 23¼ asked)			
125	116	7	5.6	Do. pref.	50	121	125	125	125
42	21	.	...	St. Law. Pap. p.	425	26	30	27	30
8	3	50c	...	Stand. Chem.	15	7¾	7¼	7¼	7¼
1	1	.	...	Stand. Clay	....	(1 bid 3¼ asked)			
3.50	1.35	.	...	St. Pav. & Mat.	....	(1¼ bid 2¼ asked)			
27¼	15	.	...	Do. pref.	30	20	20	20	20
38	38	3	7.9	Stand. Steel, pf.	....	(35 bid 40 asked)			
21	16¾	60+40c	5	Stedman Bros.	30	20	20¼	20¼	20¼
77¾	66¼	1.75‡	5	Steel of Can.	679	74	76¼	74¼	76¼
75	66¼	1.75	2.4	Do. pref.	180	72	73¾	72¼	73
4	2	.	...	Sterling Coal	....	(4 bid 4¾ asked)			
*.75	.10	.	...	Stop & Shop	....	(— bid .20 asked)			
8¼	8¼	80c	9.4	Stuart, D. A. pf.	....	(8 bid 10 asked)			
4¼	2¼	.	...	Supersilk H.A.	....	(3 bid 3¾ asked)			
4¾	3¼	.	...	Do. (B)	....	(4 bid 4¼ asked)			
85	80	5	6.2	Do. pref.	....	(— bid 80 asked)			
38¼	34	1+50c	4.4	Sup. Pete. ord.	10	34	34	34	34
87¼	[illegible]	1+50c	4	Do. com.	....	(33¼ bid 36 asked)			

Range 1939 High	Low	Div R'te $	Jly15 Y'ld %	Stock	Sales	Last July 10	Week end. July 17 H	L	Cl'se
				T, U, V					
13	11	80c	6.5	Tamblyn	100	12¼	12¾	12¼	12¾
54	52	2.50	4.6	Do. pref.	....	(— bid 54 asked)			
4	2¼	.	...	Thayers	....	(2 bid — asked)			
31	30	3.50	...	Do. pref.	....	(31¼ bid 32 asked)			
*.25	.25	.	...	Thrift Stores	....	(— bid — asked)			
2¼	2¼	.	...	Do. pref.	....	(1¼ bid 3¼ asked)			
12¼	8¼	60c	6	Tip Top Tailors	25	9¾	10	10	10
109	104	7	6.4	Do. pref.	....	107 bid 109¼ asked			
.50	.50	.	...	Tooke Bros.	....	(.50 bid — asked)			
7	5	.	...	Do. pref.	....	(6 bid 7 asked)			
16¼	10	.	...	Tor. Elevators	113	12¼	13¼	13	13
46	41¼	2.62½	6	Do. pref.	17	41¼	44	44	44
90	79	4	5.1	Tor. Gen. Tr.	....	(80 bid 85 asked)			
113	100	6	6	Toronto Mtge.	....	(100 bid 106 asked)			
170	153	7	4.2	Tuckett Tob. p.	5	162¼	165	165	165
3	2	.	...	Twin City	125	2	2¼	2	2
15	11	80+20c	7	Union Gas	825	13¾	14¼	13¾	14¼
14	12	60+15c	5	Un. Amuse. A.	....	(14 bid — asked)			
14	14	60+15c	5	Do. (B)	....	(14 bid — asked)			
1.05	.90	.	...	Un. Cigar-W.	....	(.90 May 27)			
.75	.70	.	...	United Distill.	....	(.50 bid 1.00 asked)			
38	25	3	9.4	United Fuel, A.	110	30	32	31	32
5	2¾	.	...	Do. (B)	1	3¼	4¼	4¼	4¼
6¼	5	.	...	United Secs.	....	(— bid 6 asked)			
7	3¼	.	...	United Steel	1335	3¾	4¼	3¾	4¼
3¼	2	.	...	Viau Bisc.	25	3	3	3	3
55¼	47	5	9.8	Do. pref.	....	(50 bid — asked)			
				W, Y, Z					
16	12	1	6.2	Wabasso Cot.	50	16	16	16	16
51	38	4	9.1	Walker-Good.	1039	43	44¾	44	44¼
20¼	19	1	4.9	Do. pref.	765	20¼	20¼	20	20¼
1.40	.95	.	...	Walkerville Br.	195	1.00	1.00	1.00	1.00
*125	123¼	7	5.6	W. Koot. Pr. p.	....	(126 bid — asked)			
2¾	2	.	...	West. C. Flour.	....	(1¾ bid 3 asked)			
25	15	.	...	Do. pref.	5	19	22	22	22
50	45	3	6.7	West Grocers	....	(— bid 55 asked)			
114	103¼	7	6.7	Do. pref.	3	104¼	104¼	104¼	104¼
11	10¼	50c	4.6	W'minster Pap.	....	(10 bid — asked)			
12¼	9¼	80c	7.1	Weston Ltd.	380	11¼	11¼	10¾	11¼
95	85	5	5.3	Do. pref.	5	90	94	94	94
2.25	1.25	.	...	Winnipeg El. A.	591	1.70	1.70	1.50	1.55
2.00	1.05	.	...	Do. (B)	95	1.50	1.60	1.50	1.50
11	7	.	...	Do. pref.	....	(7¼ bid — asked)			
67	63	7	...	Wood, A. & J. p	....	(— bid 65 asked)			
25	17¼	.	...	Woods Mfg., pf.	....	(— bid 25 asked)			
4	4	.	...	York Knitting	....	(4 bid 5 asked)			
100	100	7	...	Do. 1st pref.	....	(100 Jan. 4)			
9	7	.	...	Zellers	1500	8	8	8	8
25	22	1.50	6.2	Do. pref.	500	24	24¼	24¼	24¼

Quotations: * 1938. € 1937.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 payable Feb. 1, 1939.
• Initial. † Interim.

Mining Stocks

Week Ending July 17.

Par Val.	Range 1939 High	Low	Company	Sales	Close July 10 (or last)	High for week	Low for week	Close July 17
			A					
1	.04	.01½	Afton	4,500	.02	.02	.02	.02
No	.52	.25	Aldermac	6,560	.34	.34	.25	.32
1	.01½	.00¾	Alexandria	1,000	.00¾	.01	.01	.01
1	.17	.08½	Amm. Gold	5,000	.10½	.10	.09¾	.09¾
No	3.25	2.25	Anglo-Huronian	1,550	2.35	2.30	2.25	2.25
No	.02½	.01	Arno	......	(.02 bid .02½ asked)			
1	.17½	.09	Arntfield	1,700	.10	.10½	.10	.10½
1	.10½	.05	Ashley	500	.06½	.06	.06	.06
1	.06½	.01	Astoria Quebec	1,250	.03½	.03½	.03	.03½
1	2.87	1.75	Aunor Gold	109,523	2.78	2.87	2.69	2.77
			B					
1	.23	.06	Bagamac	2,100	.06½	.09	.07½	.09
1	.38	.17	Bankfield	8,560	.20½	.23	.20	.23
1	.30	.10	Base Metals	3,700	.15	.14	.14	.14
1	.32	.11	Bear Exploration	7,500	.13½	.13	.12	.13
No	1.40	1.00	Beattie Gold	4,073	1.21	1.27	1.20	1.27
1	.14	.07½	Beaufor	12,000	.07½	.08¾	.08	.08¾
1	.30	.15½	Bidgood Kirk.	4,400	.16	.17	.15½	.16½
1	.35	.08	Big Missouri	7,501	.10½	.13	.11	.12
1	.22	.08	Bobjo	2,750	.08½	.10	.08½	.09
1	.12	.04½	Bouscadillac G.M.	......	(.04 bid .08 asked)			
No	12.25	9.55	Bralorne	560	11.50	11.87	11.37	11.75
1	.08	.04	Brazil Gold	......	(.04 bid .05 asked)			
1	.03½	.01	Brett Trethewey	1,500	.01½	.01	.01	.01
1	.75	.28	Broulan Porc.	131,050	.45½	.50½	.44	.49
1	15.50	10.50	Buffalo Ankerite	405	11.75	12.00	11.75	11.75
No	.05	.02½	Buffalo Can.	......	(.03½ bid .03½ asked)			
5	28.00	23.00	Bulolo Gold	375	23.50	24.00	23.50	24.00
No	.11½	.05	Bunker Hill	5,500	.07	.08	.06½	.07½
			C					
No	1.03	.69	Can. Malartic	3,381	.75	.76	.72	.72
1	.03½	.01½	Capital Rouyn	1,000	.02½	.01¾	.01½	.01¾
1	2.40	2.01	Cariboo Gold	100	2.06	2.10	2.10	2.10
1	.06	.02	Cartier Malartic	500	.02	.03	.03	.03
1	1.05	.65	Castle Trethewey	150	.75	.73	.70	.73
1	.25½	.15	Cen. Cadillac	63,700	.23½	.25½	.23	.23
1	2.75	2.05	Cen. Patricia	1,555	2.47	2.50	2.43	2.45
1	.14½	.05	Cen. Porcupine	41,150	.12	.14	.12	.12½
1	.25	.15	Century Mining	500	.19½	.15	.15	.15
1	1.39	.85	Chesterville	6,500	1.05	1.13	1.04	1.11
No	.88	.50	Chromium	3,100	.57	.55	.55	.55
5	2.50	1.50	Coast Copper	400	1.60	1.85	1.75	1.80
5	2.00	1.39	Coniagas	700	1.80	1.80	1.76	1.80
No	2.34	1.26	Coniaurum	70,700	2.25	2.34	1.97	2.09
1	.29	.10	Con. Chibougamau	6,450	.11	.22	.10	.17
5	61.25	37.50	Cons. Smelters	3,512	40.00	42.50	40.00	42.00
			D, E					
1	.08½	.03	Darkwater	1,200	.04¾	.05	.03½	.03½
1	.16	.09½	Denison Nickel	3,000	.12	.12	.12	.12
No	34.25	29.00	Dome Mines	1,368	33.50	33.50	29.00	33.25
1	.03½	.02	Dom. Explorers	2,000	.02½	.02½	.02	.02
1	.09½	.04½	Dorval Siscoe	17,650	.05	.06½	.05	.06
1	.08	.02	Duparquet	9,800	.02¾	.03	.03	.03
1	.27	.14	Duquesne	26,600	.17	.18	.15	.18
1	2.80	2.07	East Malartic	33,550	2.55	2.70	2.50	2.70
1	2.36	1.04	Eldorado	7,825	1.12	1.19	1.13	1.19
			F, G					
No	6.00	4.50	Falconbridge	2,340	5.05	5.50	5.15	5.50
1	.08½	.03½	Federal	10,400	.04½	.05	.04½	.05
1	.17	.03	Fernland	2,000	.04½	.03½	.03½	.03½
No	.27	.15	Francoeur Gold	700	.20	.20½	.20	.20
1	.11½	.04	Gillies Lake	8,300	.07	.07½	.07	.07
1	.05	.01½	Glenora	......	(.02 bid .02½ asked)			
No	.40	.20	God's Lake	18,767	.35	.36	.33	.34
1	.28	.15	Goldale	16,840	.22½	.23½	.19½	.19½
50c.	.63	.30	Gold Belt	300	.33	.31	.30	.30
1	.13½	.04½	Gold Eagle	11,500	.04½	.05	.04½	.05
1	.03½	.01½	Goodfish	......	(.01½ bid .02½ asked)			
1	.04	.02½	Graham Bosquet	......	(.02½ bid .03¾ asked)			
1	.13½	.03	Granada Gold	6,000	.04½	.04	.03	.03
No	.07	.04½	Grandora	3,500	.05½	.05½	.05½	.05½
1	.02½	.02	Grull Wihksne	......	(.01½ bid .04 asked)			
1	.64	.40	Gunnar Gold	5,000	.50	.52	.46	.46
			H, I, J					
1	.03½	.01	Halcrow Swayze	14,200	.02	.02½	.01½	.02½
1	.08	.02	Halliwell Gold	6,000	.03¾	.04	.03½	.03½
1	1.95	.94	Hard Rock	12,010	1.00	1.02	.96	1.00
1	.10	.06	Harker	2,900	.09	.09	.08	.08
1	1.58	.70	Hedley Mascot	......	(.78 bid .89 asked)			
5	15.50	13.50	Hollinger	3,590	15.25	15.50	15.25	15.25
1	.36½	.24	Howey Gold	5,315	.35	.35	.28	.34½
No	35.50	25.50	Hudson Bay	2,310	32.50	34.50	32.00	33.50
1	.45	.21	Inspiration	500	.30	.30	.30	.30
1	9.25	7.00	Inter. Mining	......	(7.00 Apr. 20)			
No	56.37	42.75	Int. Nickel	13,609	45.75	49.75	46.00	49.75
50c.	1.26	1.04	Island Mountain	400	1.04	1.07	1.06	1.06
1	.11½	.03	Jacola	1,900	.06	.05	.04	.04½
1	.34	.12	Jack Waite	1,090	.18	.18	.12	.12
1	.13½	.05	Jellicoe	18,100	.06	.06½	.05	.06
1	.11	.03	J. M. Cons. Gold	1,500	.03½	.03¾	.03½	.03½
1	.06½	.03	Joliet Quebec	2,700	.03½	.05	.03½	.05
			K, L					
1	2.08	1.47	Kerr Addison	41,543	1.91	2.00	1.87	1.91
1	.65	.30	Kerr Lake	1,000	.45	.50	.50	.50
1	.10	.04	Kirk. Gold Rand.	......	(.02 bid .06 asked)			
1	.73	.24½	Kirk. Hud. Bay	500	.25	.27	.24½	.24½
1	1.75	1.15	Kirkland Lake	18,860	1.48	1.54	1.49	1.54
1	.13½	.07	Kirk. Townsite	......	(.08 bid .12 asked)			
1	.11	.07	Laguna	10,100	.10	.11	.10½	.11
1	50.50	32.75	Lake Shore	2,920	40.00	41.00	39.50	41.00
No	7.00	5.50	Lamaque Gold	936	6.95	6.95	6.60	6.75
1	.54	.14½	Lapa Cadillac	19,800	.15½	.16	.15	.15
1	.85	.59	Lava Cap	1,010	.69	.71	.70	.71
1	.08½	.03	Lebel Oro	12,200	.03	.03½	.03½	.03½
1	.90	.63	Leitch Gold	12,250	.82½	.83½	.80	.82
No	3.60	2.60	Little Long Lac	2,758	2.80	2.85	2.75	2.80
			M					
1	5.90	3.85	Macassa	9,600	4.50	4.80	4.50	4.80
1	3.20	1.70	MacLeod Cockshutt	7,680	1.95	2.01	1.95	2.01
1	.55	.30	Madsen Red Lake	3,600	.36½	.37	.35½	.37
1	.75	.43	Malartic Gold	13,650	.70	.72	.68	.70
No	.17	.08	Mandy	......	(.12 bid .15 asked)			
No	.01½	.00¾	Man. & Eastern	9,500	.01	.01½	.01	.01
1	.07	.02½	Maralgo	2,000	.03	.03½	.03	.03½
5	59.63	49.75	McIntyre	1,650	56.00	57.50	56.25	56.75
1	1.38	1.00	McKenzie R. L.	15,415	1.23	1.35	1.26	1.34
1	.20½	.06	McVittie	8,600	.16½	.16½	.15	.15
No	.75	.36	McWatters	10,600	.60	.65	.56	.57
5	.35	.30	Mentor Exploration	......	(.20 bid .47 asked)			
No	2.05	1.05	Mining Corp.	2,834	1.16	1.20	1.12	1.20
No	.03	.01½	Minto Mines	......	(.01½ bid .02½ asked)			
1	1.45	.89	Moneta	5,625	1.05	1.08	1.00	1.08
1	.05	.04	Montague	......	(.04 bid .... asked)			
1	.20	.06	Morris Kirk	9,150	.07	.07	.06½	.06½
1	.02½	.01	Murphy	......	(.01 bid .01½ asked)			
			N, O					
1	.51½	.14½	Naybob	105,900	.16	.17½	.14½	.15
No	.09	.02½	Newbec	2,000	.02½	.02¾	.02¾	.02¾
1	.25	.09	New Golden Rose	2,300	.17	.12½	.10	.11
1	.60	.20	New True Fissure	3,100	.32	.32	.20	.32
5	1.80	1.28	Nipissing	385	1.40	1.35	1.30	1.30
No	82.00	70.00	Noranda	7,714	78.50	80.00	78.75	80.00
No	.60	.40	Nor. Canada	100	.51	.48	.48	.48
1	.06½	.03½	Norgold	2,000	.04½	.04	.04	.04
No	.70	.30	Normetals	4,900	.42	.45	.40	.42
1	9.25	8.00	Northern Empire	370	9.25	9.25	8.90	9.25
1	3.25	1.95	O'Brien	4,030	2.35	2.40	2.35	2.40
1	.53	.23	Omega	4,100	.34	.33	.30	.32
No	.52½	.21	Oro Plata	200	.22	.24	.24	.24
1	.10	.07	Osisko	500	.09	.08	.08	.08
			P, Q, R					
No	4.85	2.43	Pamour	12,800	2.50	2.60	2.43	2.44
1	.16	.04	Pandora	2,500	.05	.05	.04½	.04½
1	2.55	2.10	Pato Cons. G.	1,100	2.30	2.30	2.25	2.25
1	.07½	.03	Partanen Mal.	11,000	.03	.05¼	.04	.05½
1	.07½	.02	Paulore	4,800	.03	.03	.02	.03
1	.02	.00½	Pawnee Kirk.	6,000	.01	.01	.00¾	.00¾
1	.61	.35	Paymaster	36,515	.39	.47	.40	.47
1	1.95	1.21	Pend Oreille	2,875	1.35	1.45	1.35	1.44
1	1.95	1.45	Perron Gold	3,730	1.80	1.90	1.82	1.87
1	.01	.00½	Peterson Cobalt	3,000	.00½	.00½	.00½	.00½
1	5.60	4.40	Pickle Crow	2,757	4.70	4.75	4.65	4.75
1	2.70	2.25	Pioneer Gold B.C.	1,111	2.43	2.45	2.40	2.42
1	14.50	12.00	Placer Devel.	......	(13.00 bid 13.75 asked)			
1	2.45	1.18	Powell Rouyn	11,910	1.88	1.98	1.88	1.85
1	2.40	1.71	Premier Gold	1,650	1.80	1.90	1.78	1.85
1	1.75	1.17	Preston E. Dome	32,120	1.51	1.60	1.50	1.60
No	.58	.40	Prospectors Air's	......	(.43 bid .... asked)			
1	.65	.43	Quebec Gold	......	(.30 bid .50 asked)			
No	.15	.05	Quemont	......	(.... bid .15 asked)			
No	.09	.03½	Red Crest	1,000	.05	.04	.04	.04
1	.56	.20	Reno Gold	3,900	.49	.49	.46	.47
1	.30	.21	Reeves MeD.	......	(.25 Apr. 28)			
1	.05½	.01½	Reward	......	(.01½ bid .02 asked)			
1	.01½	.00¾	Robb Montbray	......	(.00¾ bid .01½ asked)			
1	.11½	.05½	Roche Long Lac	710	.06	.06	.06	.06
			S					
1	1.88	1.18	San Antonio	5,944	1.69	1.72	1.65	1.70
1	.17	.10	Sand River	2,200	.11	.11½	.11	.11½
1	.04½	.02	Shawkey	1,000	.02	.02	.02	.02
50c.	1.25	.90	Sheep Creek	1,110	1.18	1.22	1.18	1.18
1	1.44	.85	Sherritt Gordon	25,959	1.07	1.10	1.01	1.09
1	7.20	5.50	Sigma Mines	273	6.70	7.00	6.75	6.75
1	1.65	.95	Siscoe	8,820	1.17	1.24	1.15	1.24
1	.80	.37	Sladen Malartic	11,450	.43	.42	.38	.40
1	.13	.04	Slave Lake	2,500	.05	.05½	.05	.05
No	1.03	.43	Stadacona	74,009	.44½	.46	.44	.46
1	.15½	.08	St. Anthony	1,750	.09½	.11	.08	.09½
No	.11	.03½	Straw Lake	21,700	.04	.04	.03½	.03½
1	.24½	.09	Sturgeon River	2,800	.18	.18	.16½	.18
No	2.99	1.80	Sudbury Basin	940	2.15	2.20	2.05	2.20
1	.14½	.06	Sudbury Contact	1,000	.07	.06	.06	.06
1	1.01	.73	Sullivan Cons.	3,500	.80	.79	.75	.76
1	3.55	2.78	Sylvanite	4,149	3.40	3.55	3.35	3.35
			T, U, V, W, Y					
1	4.70	3.80	Teck Hughes	3,450	4.20	4.25	4.10	4.25
1	.14½	.06½	Temiskaming	3,000	.07	.08	.07	.08
1	2.30	1.65	Toburn Gold	250	1.75	1.80	1.75	1.80
1	.40	.20	Towagmac	500	.24	.20	.20	.20
1	1.65	1.03	Uchi Gold	13,980	1.31	1.32	1.15	1.22
...	97.75	96.00	Do., Bonds	3,580	.....	97.75	96.00	96.00
No	5.80	4.30	Ventures	1,600	4.80	5.15	4.80	5.00
No	8.25	5.50	Waite Amulet	11,677	6.95	7.25	6.90	7.25
1	.15	.08½	Wendigo	4,700	.09½	.11	.09½	.11
No	.01½	.00½	White Eagle	2,500	.00½	.00¾	.00¾	.00¾
1	.05	.01½	Whitewater Mines	......	(.01½ bid .02½ asked)			
1	.08½	.03½	Wiltsey Coughlan	8,000	.03½	.03½	.03½	.03½
1	.19	.08½	Wood Cadillac	6,450	.11	.11½	.10	.11
No	8.90	7.30	Wright-Hargreaves	6,355	8.00	8.15	8.00	8.15
No	.09	.05	Ymir Girl	2,000	.05	.05½	.05½	.05½

Oil Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close July 10 (or last)	High for week	Low for week	Close July 17
No	.09½	.04	Acme Gas & Oil	500	.04	.06	.06	.06
1	.30	.14	Alta Pac. Cons.	......	(.10 bid ... asked)			
1	.30	.15	Ajax	500	.16	.16	.16	.16
No	1.52	.80	Anglo Canadian	5,400	.97	1.05	.95	1.02
1	.15½	.09	Anaconda	......	(... bid .08½ asked)			
1	.21½	.07	Br. Dominion	3,000	.07½	.10½	.10	.10
No	.33	.18	Brown Oil	1,000	.20	.20	.19½	.19½
100	65.00	48.00	Do., pref.	......	(65.00 bid ... asked)			
No	2.80	1.81	Calgary & Ed.	2,680	1.90	2.05	1.88	2.05
1	.65	.28	Calmont	5,300	.30	.32½	.30	.32½
No	.55	.31	Commoil	......	(.31½ bid .35 asked)			
No	.36	.21	Common Pete	1,000	.24	.25	.25	.25
No	.75	.35	Dalhousie	1,550	.35	.38	.35½	.38
No	.60	.25	Davies Pete	2,200	.29	.29	.28	.29
No	.13	.05	East Crest	......	(.05½ bid .06½ asked)			
25c	.13	.07½	Firestone Pete	......	(.05½ bid ... asked)			
No	1.45	.50	Foothills	600	.55	.60	.60	.60
25	.14½	.08½	Foundation Pete.	......	(.10 bid .12 asked)			
No	.20	.10	Hargal	......	(.10 Jan. 6)			
No	.25	.15	High Sarcee	4,100	.15½	.16½	.15	.16½
No	3.75	1.98	Home	10,425	2.06	2.25	2.08	2.25
1	.26½	.07	Homestead O.&G.	6,700	.08	.10	.07½	.09
No	.23	.10	McD. Segur	......	(... bid .14 asked)			
No	.07	.03	Merland	......	(.03½ bid .04½ asked)			
1	.48	.26	Model	600	.30	.27	.27	.27
25c	.12½	.07	Monarch Royalties	1,000	.08	.08	.08	.08
1	.13	.05	Nordon	......	(.05½ bid .09 asked)			
No	.03½	.01½	Oil Selections	500	.02	.02½	.02½	.02½
No	1.73	.91	Okalta	2,175	.98	1.05	1.00	1.05
No	.02½	.01	Olga Gas & Oil	1,000	.01½	.01½	.01	.01
1	.12	.05	Pacalta	2,040	.05	.05	.05	.05
1	.30	.25	Petrol Oil & Gas.	......	(.25 bid .35 asked)			
25c	.25	.17	Prairie Royalties	400	.21	.21	.20	.21
No	45.63	31.75	Royalite	290	33.50	35.25	33.00	35.25
No	.75	.29	South West Pete.	......	(.37 bid .60 asked)			
No	.11½	.04	South End	......	(.01½ bid .04 asked)			
1	1.30	.60	Texas Can.	300	.75	.70	.70	.70
No	.15½	.07	United Oils	......	(.07½ bid ... asked)			
No	1.00	.46	Vulcan	......	(.47 bid ... asked)			
No	.08½	.04	West Flank	1,000	.05	.05	.05	.05

Vancouver Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close July 10 (or last)	High for week	Low for week	Close July 17
1	.30	.10	Big Missouri	7,574	.12	.14	.12	.13
25c	.01½	.01½	Bluebird	......	(.01½ Apr. 6)			
No	12.20	9.50	Bralorne	1,518	11.40	11.80	11.40	11.80
1	.03½	.02	Bridge River Cons.	4,500	.02	.02½	.02½	.02½
1	2.40	2.01	Cariboo Gold	2,604	2.08	2.17	2.05	2.15
No	.06½	.02	Dentonia	1,000	.02½	.02¾	.02¾	.02¾
No	.07	.02½	Fairview Amal.	6,100	.03½	.03	.03	.03
1	.01½	.00¾	Federal Gold	......	(.00¾ bid ... asked)			
1	.33	.20	George Copper	......	(.20 bid ... asked)			
1	.06	.03	Golconda	500	.06	.05	.05	.05
50c	.62	.24	Gold Belt	20,700	.32	.31	.24	.30
50c	.08½	.03½	Grand View	3,000	.04	.04½	.04½	.40½
1	.03½	.02	Grull Wihksne	6,000	.02	.02	.02	.02
1	1.54	.72	Hedley Mascot	14,600	.84	.85	.82	.82
No	.01	.00¾	Home Gold	......	(.00¾ bid .00¾ asked)			
1	.01½	.00¾	Indian Mines	......	(.00¾ bid ... asked)			
50c	1.40	1.01	Island Mountain	......	(1.05 bid ... asked)			
1	.34	.27	Inter'tl Coal	2,000	.29½	.29½	.29½	.29½
50c	1.55	.61	Kootenay Belle	3,700	.85	.83	.76	.80
10c	.03	.01	Lucky Jim	6,000	.01	.01½	.01½	.01½
No	.02	.00¾	Mak Siccar	......	(.00¾ June 29)			
10c	.33	.28	Metaline Mining	......	(.28 June 10)			
1	.23	.21	McGillivray Creek	......	(.19½ bid .25 asked)			
No	.03	.01½	Minto Mines	2,000	.01½	.01½	.01½	.01½
5c	.04½	.02	Nicola	......	(.02½ bid .03 asked)			
50c	.04½	.01	Noble Five	......	(.01½ bid .01¾ asked)			
1	1.90	1.24	Pend Oreille	110	1.45	1.47	1.30	1.47
No	.00¾	.00¾	Pilot Gold	......	(.00¾ bid ... asked)			
1	2.70	2.28	Pioneer Gold	805	2.45	2.50	2.45	2.45
50c	.03	.00¾	Porter Idaho	......	(.01½ bid .02½ asked)			
No	.01½	.00¾	Premier Border	1,000	.00¾	.00¾	.00¾	.00¾
1	2.40	1.71	Premier Gold	1,850	1.81	1.90	1.82	1.90
No	1.45	1.06	Privateer Mines	7,000	1.28	1.28	1.23	1.25
1	.04	.02½	Quatsino Copper	2,500	.02½	.03	.02½	.02½
50c	.01½	.01½	Red Hawk	......	(.01½ Feb. 11)			
1	.15½	.09	Relief Arlington	9,000	.12½	.13	.13	.13
No	.32	.18	Reeves McDonald	......	(.15 bid .24 asked)			
1	.58	.22	Reno Gold	4,800	.48	.49½	.47	.49½
1	.06	.01½	Reward Mining	2,000	.01½	.02	.02	.02
1	.01½	.00¾	Rufus Argenta	2,000	.00¾	.00¾	.00¾	.00¾
1	.09	.02	Sally Mines	......	(... bid .08½ asked)			
50c	.12	.07½	Salmon Gold	14,100	.09	.08	.07½	.07½
50c	1.25	.91	Sheep Creek	2,650	1.20	1.20	1.18	1.18
1	1.85	1.25	Silbak Premier	900	1.35	1.30	1.25	1.30
No	.02	.00¾	Silvercrest	......	(.00¾ bid ... asked)			
1	.15	.08	Sunloch	......	(.08 May 3)			
50c	.27	.13	Surf Inlet	500	.20	.22	.22	.22
No	.06½	.02½	Taylor Bridge	9,000	.06½	.06	.06	.06
No	.06½	.03½	Vidette Gold	......	(.04 bid .06 asked)			
50c	.00¾	.00¾	Waverley Tangier	1,000	.00¾	.00¾	.00¾	.00¾
20c	.02	.00¾	Wellington	......	(.00¾ bid .01 asked)			
50c	.01½	.00¾	Wesko	1,000	.00¾	.00¾	.00¾	.00¾
1	.04½	.01½	Whitewater	1,000	.02	.02	.02	.02
No	.08	.03½	Ymir Yankee Girl	......	(.04 bid .06 asked)			

Oil Quotations

Par Val.	Range 1939 High	Low	Company	Sales	Close July 10 (or last)	High for week	Low for week	Close July 17
1	.30	.13	Alta Pac. Cons.	2,610	.15	.15	.14	.15
1	.01	.00¾	Amalgamated	......	(.00¾ bid .01 asked)			
No	1.52	.84	Anglo C. Develop	1,600	.95	1.00	.95	1.00
1	.16	.07½	Anaconda	12,100	.07½	.08	.08	.08
No	.08	.06	Associated Oil	......	(.06 May 28)			
No	.04	.01	Baltac	......	(.01½ bid ... asked)			
1	.19½	.06	Brit. Dominion	......	(... bid .10½ asked)			
No	.33	.19	Brown Oil	1,000	.20	.20½	.19½	.20½
No	2.75	1.86	Calgary & Ed.	2,800	1.90	2.10	1.90	2.10
1	.64	.28	Calmont	2,300	.30	.33	.31	.33
No	.58	.32	Commoil	500	.32	.34	.34	.34
1	.36	.22½	Commonwealth	......	(.26 bid .27 asked)			
No	.68	.34	Dalhousie	......	(.35 bid ... asked)			
No	.59	.27	Davies Pete	......	(.26 bid ... asked)			
No	.12	.06	East Crest	......	(.06 bid ... asked)			
25c	.13	.07	Firestone	2,500	.07	.08	.08	.08
No	1.40	.55	Foothills	......	(.70 June 7)			
No	.07½	.02	Freehold	2,000	.03	.02¾	.02¾	.02¾
No	.13	.09	Foundation Pete	......	(.10 June 22)			
No	.12	.08½	Four Star	......	(.10 bid ... asked)			
No	.19½	.08½	Hargal	500	.19	.19	.19	.19
No	.35	.15	High Sarcee	......	(.14 bid ... asked)			
No	3.75	2.00	Home Oil	500	2.06	2.20	2.08	2.20
No	.07½	.02	Madison	......	(.02½ bid .03 asked)			
No	.09	.04	Marjon Oil	25,000	.04	.04½	.04	.04½
No	.22½	.11½	McD. Segur Ex.	2,100	.11½	.12½	.11½	.12½
1	.22	.12	McLeod	......	(.12 May 19)			
No	.13	.05½	Mercury	2,125	.06	.06	.05½	.05½
No	.07½	.03½	Mill City Pete	2,000	.04	.04¾	.04¾	.04½
No	.05½	.04½	Midwest Pete	......	(.02½ bid ... asked)			
1	.47	.24	Model	810	.24	.26	.24	.26
25c	.11	.07½	Monarch Royal	600	.09	.08	.07½	.08
25c	.16½	.08	National Pete	......	(... bid .11 asked)			
1	.12	.05	Nordon	......	(.05 bid ... asked)			
No	2.00	.95	Okalta	300	1.00	1.13	1.02	1.05
No	.12	.05	Pacalta Oil	300	.05	.05	.05	.05
25c	.24	.18	Prairie Royal	900	.22	.21½	.21	.21
No	45.00	32.50	Royalite	4	33.00	34.00	34.00	34.00
No	.22	.15½	Royal Canadian	19,300	.19	.20	.19	.20
No	.75	.30	Southwest Pete	700	.37	.50	.50	.50
1	.12	.04	Spooner	......	(.04 bid ... asked)			
25c	.40	.30	Sunset Oil	1,000	.40	.38½	.38½	.38½
No	.16	.07½	United	1,600	.08	.08½	.08	.08
No	.13	.04½	Vanalta	26,000	.04½	.04½	.04½	.04½
1	.90	.48	Vulcan	200	.50	.50	.50	.50
No	.07½	.06½	West Flank	......	(.06½ Jan. 18)			

Winnipeg Stocks

(Transactions from July 10 to July 15)

	Sales	High for period	Low for period	Close July 15
Central Manitoba	[illegible]	[illegible]	[illegible]	[illegible]
Flin Flon Gold	[illegible]	[illegible]	[illegible]	[illegible]
Franco Oils	[illegible]	[illegible]	[illegible]	[illegible]
Great-West Life	[illegible]	[illegible]	[illegible]	[illegible]
Gold Lake	[illegible]	[illegible]	[illegible]	[illegible]
Great Falls M. & S.	[illegible]	[illegible]	[illegible]	[illegible]
Gurney Gold	[illegible]	[illegible]	[illegible]	[illegible]
Ore Grande	[illegible]	[illegible]	[illegible]	[illegible]
Rice Lake	[illegible]	[illegible]	[illegible]	[illegible]
Sachigo River	[illegible]	[illegible]	[illegible]	[illegible]
United Grain Growers	[illegible]	[illegible]	[illegible]	[illegible]
Wingold	[illegible]	[illegible]	[illegible]	[illegible]
Wings, voting trust	[illegible]	[illegible]	[illegible]	[illegible]

Stocks Not Traded in During Week

	Bid	Ask		Bid	Ask
Beaver Fire	[illegible]	[illegible]	Home Invest	[illegible]	[illegible]
Beaver Lumber, com.	[illegible]	[illegible]	North. Trusts	[illegible]	[illegible]
Beaver Lumber, pf.	[illegible]	[illegible]	Ont. Trusts	[illegible]	[illegible]
Can. Indemnity	[illegible]	[illegible]	Traders Bldg.	[illegible]	[illegible]
Dom. Envelope	[illegible]	[illegible]	West. Brew.	[illegible]	[illegible]
Do., pref.	[illegible]	[illegible]	West. Grain, pf.	[illegible]	[illegible]
Fed. Grain, com.	[illegible]	[illegible]	West. Grain, c.	[illegible]	[illegible]
Fed. Grain, pf.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 18	[illegible]	[illegible]	[illegible]	[illegible]
July 17	[illegible]	[illegible]	[illegible]	[illegible]
July 15	[illegible]	[illegible]	[illegible]	[illegible]
July 14	[illegible]	[illegible]	[illegible]	[illegible]
July 13	[illegible]	[illegible]	[illegible]	[illegible]
July 12	[illegible]	[illegible]	[illegible]	[illegible]

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

July 18, 1939

%	Due	Bid	Ask.	Approx. Y'ld
	Dominion of Canada Bonds			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
a3e	Jan. '67	101¼	102¾	2.86
a3e	Nov. '68	102	102¾	2.86
a3	Perpet'l.	94¼	94¾	3.17
	Dominion Guaranteed Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100¼	101¼	1.65
2½	Jan. '46	99¾	100¾	2.12
3	May '44	104½	105½	1.80
3	Dec. '50	100¼	101¼	b2.79
	Provincial Gov't. Bonds			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5½	July '46	114¾	115¾	3.00
	Ont. Hydro Commission:			
3	Aug. '48	100½	101½	b2.80
3¼	Feb. '53	101¼	102¼	b3.00
3½	Apr. '47	103¼	104¼	2.88
	Prince Edward Island:			
3	Oct. '45	99½	101	2.82
	Quebec:			
3	Nov. '47	97	98	3.27

*Payable Can., N.Y. & L. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium.

Unlisted Stocks

July 18, 1939

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., p.	13	14
Andian National	31¾	32¼
Anglo C. Tel., A	8¾	9
Barrymore, pfd.	21¼	..
B. C. Pulp, c.	6¼	..
Do., pfd.	20	..
B. C. Sugar	80¼	82
Burns & Co., A	3	3¼
Do., B	1	1¼
Canada Tea, pf.	21	25
Can. Co.-op. W'l	7	..
Can. G'drich, c.	1¼	..
C. I. L., A c.	207	..
Can. Ing. Rand	121¼	124¼
Can. Tube, 1st p.	52	..
Chase, A. W., p.	25¼	27
Claude Neon, p.	7¼	8
Cons. Sales B., p.	..	79
Cope. Flour Unit	6¾	7½
Dunlop Tire, p.	22¼	23
Easy Washing, p.	..	8¼
Fed. Grain, pfd.	21	22¼
Do., com.	¾	1¼
Goderich Elev.	6¾	6¾
Guard. Realty, p.	16¼	18
Guelph Carp., p.	101	103
Do., com.	9¼	10¼
Hayes Steel, c.	12	..
Do., pfd.	9¼	10
Hi'land Dairy, p.	73	..
Do., com.	2¼	..
Kingston Sh., un.	11¼	12¼
Loblaw Inc., c.	10¼	10¾
M'row Screw, p.	96¼	100¼
Neilson, Wm., c.	9	..
Do., pfd.	103	..
N. B. Tel., c.	11¼	12
N. Meth. Ldy. p.	42¼	45
Office Spec., p.	71¼	..

	Bid	Ask.
Ont. Tob., pfd.	22	..
Paterson, Wm. p.	104	..
Prov. Paper, pf.	102¼	103¼
Reliance Gr., pf.	32	34
Rob. Cons. Cone	9¼	9¾
Robertson, pfd.	87	..
Ruddy, E. L., p.	29	31
Seal O Sac (Can)	4¼	5
Stand. Fuel, c.	2	2¼
Do., pref.	47	..
Stedman Br., pf.	56¼	58
Tor. Carpet, c.	18	22
Do., pfd.	54	56
Un. F. Co-op.	2¼	2¾
Un. Steel, A pf.	20¼	21¼
Viceroy Mfg., pfd. & rts.	23	24
West. Grain, pf.	3¼	4¼
West. Steel, c.	6	7
Weston Hold.	6	..
Trusts and Loan Stocks:		
Brit. Mtge.	152	..
Com. Fin., c.	2¾	3
Guelph & O., $50	52	54¼
Lambton Loan	32	35
London & West.	39	43
Sherbrooke Tr.	120	..
Sterling Trust	51¼	60
Traders Fin., B c.	11¼	13
Do., A pfd.	81	83
Trusts & Guar.	27	28
Waterloo Trust	99¼	..
Insurance Stocks:		
Canada Life	482	490
Confed., 30% pd.	153¼	156¼
Crown, fully pd.	261	..
Dominion Fire	136	..
D. of Can. Gen.	120	130

	Bid	Ask.
Empire, 25% pd.	8	9
Excelsior Life	62¼	66
Fed. Fire, 25% pd	50	55
Great-West Life	240	250
Halifax Fire	23	24
Imperial Life	300	320
Manufac. Life	245	250
Monarch, 10% pd	22¾	24
Sov. L., 25% pd.	11¼	13
Sun Life	400	415
Tor. General	53	[illegible]
Western Assce.	49¼	51¼
Theatre Stocks:		
Allens King., p.	63¼	66¼
Do., London, p.	53	60
Do. St. Cath. p.	54¼	57
Do., Tor., p. c.	34¼	37
Loew's Lond., p.	3¼	3¼
Mansf. Theat., p.	31¼	36
Midland Prop., p.	4¼	..
Para., Kitch., p.	53¼	..
Do., Oshawa, c.	11¼	13
Investment Trust Shares:		
Can. Invest. Fd.	3¾	4¼
Can. Investors	6¼	7
Deb. & Sec., pf.	66	..
Inv. Found. Unit	55¼	57¼
Sec's. Hold., pf.	18¼	..
United Corp., A	22	24
Do., B	6	7
Power Issues:		
Can. W. N. Gas	.27	..
Do., pfd.	100	102
Int. Util., 1.75 p.	19¼	20¼
Do., 3.50 pfd.	38¼	39¼
Gt. Lakes Pr., p.	101	103
Mtl. Is. Pwr., p.	20	..
Nor. Ont. Pr., p.	96	98

Unlisted Mines

Toronto, July 18, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Addingt'n	.03½	.04½	E Rouyn	..	.15	Lucky K	.01	.01½	Propri'y	1.80	[illegible]
Albany R	14	.16	Elmos	.18	.20	Magnet C	.57	.60	Presdor	.05½	[illegible]
Amorada	.01½	.02½	Faulken'	.01½	.02	Magnet L	11	.13	Que Mn	.12	.14
Anoki	.09½	.10½	Flavrian	.01	.02	Martin Br	.07½	.08½	Queb Vik	.01½	.02
Arjon	.02	.03	Fontana	.07	.08	Martin M	.02	.04	Rand Ml	.17	[illegible]
Armistice	.01¾	.02½	Frontier	.07	.08½	Mata Can	.03	.04½	Red LGS	.01	[illegible]
Argosy	.03½	.04	Galore	.06½	.07	Melba	.04	.05	Rhyolite	.03	[illegible]
Arno	.02	.02½	Gate Pat	.01¾	.02½	Margaret	.16	.18	Rose Gold	.05½	[illegible]
Area	.08½	.09	Golden G	.20	.22	Mof Hal n	.02	.03½	Rouyn Re	.01½	[illegible]
Athona	.04½	.05	Goldside	.01	.01½	McVit Kir	.01½	.01¾	Sachigo	8.75	[illegible]
Barb L	.04	.05	Gordon L	.01½	.02	Mooshla	.07	.09	Senator	.40½	[illegible]
Beresford	.21	.24	Gorham	.04	.05	McGregor	.02	.03	Steep R	1.05	[illegible]
Big Mastr	.03½	.04½	Hallnor	7.75	8.25	Mosher	.12	.14	Shenango	.09½	[illegible]
Bilmac	.03½	.04½	Hiawa'a	1.22	1.28	Mylamaq	.02	.03½	Sheldon	.05½	.06½
Calder B	.03	.04	Hislop	.01½	.02½	Nat Mal	.15	.18	Siscoe Ex	.02	.02½
Camlaren	.03	.04	Hoyle n	.54	.56	Negus	.60	.70	Skynner	.06	.08
Capital R	.01½	.01¾	Hugh PaP	.06½	.07½	New Aug	.21	.25	Smelter	.03	.03½
Carinor	13	.16	Hutch Lk	.06½	.07	Nickel O	.75	.85	Spooner	.06	.07
Central M	.03½	.03¾	Jason	.31	.34	Norbeau	47	.52	Sunbeam	.15	.18
Cheminis	.05½	.06	Jodello	.09	.12	Norlake	.01½	.02½	Sun Bear	.01	.01½
Cochen'r	.54	.57	Keora	.03½	.04	Oklend	.07½	.08½	Surf Inlet	.22	.25
Coin Lke	.03	.04	Kaw Cro	.02	.02½	O'Leary	.02½	.03½	Springer	.11	.12
Cont Kir	.08	.09	Kelrowe	.29	.31	Opemiska	.07½	.09½	Thomp L	.19	.21
Crescent	.04¾	.05½	Kenricia	.21	..	Oriole	.01¾	.02½	Tonawa'a	.01½	[illegible]
Crowsh'e	.08	.10	Kewaga'a	.03¾	.04½	Orpit	.07	.08½	Union Mn	.05½	.06
Dawson	.01	.01½	Kiena	.18	.20	Ossian	.02½	.02¾	Up Cana	.56	.60
Dayton	.05½	.06	Kir Vit	.01	.01½	Pascalis	32	.36	Walker P	.03¾	.04½
Delnite	.90	.95	Kirk Gateway (new)	.02½	.03½	Payore	.01¾	.02	Wesley	.04	.05
Desants n	.19	.23	Kir Hunt	.01½	.01¾	Porc Lke	.07	.09	Wells LL	.12	.14
Devon	..	.08	Lacoma	.02	.02½	Planet	.02½	.03	Westwood	.03½	.04
Dona Pt	.25	.27	Lk Duf	.48	.51	Pontiac	.10½	.12	Winoga cum rts	.05	.06
Donwood	.17½	.19	Lake Gen	.10	.12	Pelangio	.02	.03	Woco	.21	.22
Dumico	..	.09	Lardego	.03½	.04	Polaris	.48	.50	Y David	.26	.27½
Dunlop n	.01	.01¾	Lw Pete	.34	.38	Private'r	1.20	1.25			
E Lacoma	.02½	.03									

Montreal, July 18, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abbeyv'e	.08	.08½	Demp'y	.01	.02	Louvre	.02	.03	Tiblem't I	.01½	[illegible]
Amity	.01	.02	LL Lag'n	.03	.05	Obalski	.08	.09	Valdor M	..	[illegible]
Brown B	.01	.02	L Rowan	.09	.10	Pan Can	.04	.05	Warren'c	..	.05
Chibmac	.02	.03	Leroy	..	.01	Routh'r C	..	.03			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 18, 1939

Public Utility Issues:	Int. Rate %	Due	Bid July 18	Asked July 18	Bid July 11
†Assoc. Tel. & T.	5½	'55	79	82	78¼
Beauharnois P.	5	'73	99	102	99
B. C. Power	4½	'60	102	105	102
B. C. Tel.	4½	'61	108	111	108
†Calgary Pwr	5	'60	104	107	104
Do.	5	'64	103¼	106¼	103
†Can. Nor. Pwr.	5	'53	103	106	102
*Dom. Gas & El.	6½	'45	97¼	100¼	97
Gatineau Pwr.	5	'49	102¼	105¼	102¼
Do., A	3¾	'69	99¼	102¼	99
Gt. Lakes Pwr	4½	'56	100¼	103¼	100¼
*Int. Hydro-E.	6	'44	85¼	88¼	85¼
▲Inter. Power	6	'55	101	104	101
Macl'n-Que. Pr.	4	'59	97¼	100¼	97¼
Mtl. L. H. & P.	3½	'56	104	107	103¼
Do.	3½	'73	102¼	105¼	102¼
†Mtl. Tramways	5	'41	98¼	101¼	98¼
†Do.	5	'55	69¼	72¼	69¼
Nat. Lt. & Pwr.	6	'49	98	101	98
N. S. Lt. & Pr.	4	'57	102¼	105¼	102¼
Ottawa H. & P.	4	'57	103¼	106¼	103¼
Ottawa V. Pwr.	5	'59	103¼	106¼	103¼
†Power Corp.	4½	'59	103	106	102¼
Quebec Pwr.	4	'62	103¼	106¼	103¼
*Saguenay P. A.	4½	'66	106	109	106
Do., B	4½	'66	106	109	106
Shaw. W. & Pr.	4	'61	103¼	106¼	103¼
Union Gas	4½	'50	103¼	106¼	103¼
†Wpg. El. Ser. A	4	'65	72¼	75¼	71¼
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	47	50	42¼
Acadia Sugar	4½	'55	102¼	105¼	102¼
†Alta. Pa. Grain	6	'46	90¼	93¼	88¼
Atlantic Sugar	4	'51	101¼	104¼	101¼
B. A. Oil	4	'45	101	104	101
†B. C. P. & Pap.	6	'50	52	..	52
*Brown Co.	5½	'46	34	37	32
Burns & Co.	5	'58	41¼	44¼	40¼
Canada Bread	6	'41	105¼	108¼	105¼
Canada Cement	4½	'51	104	107	104
Can. Paper	4½	'52	100¼	103¼	100¼
Can. Steamship	5	'57	84	87	84
Candn. Canners	4	'51	102¼	105¼	103
*Can. Int. Paper	6	'49	93	96	91
†Candn. Vickers	6	'47	74¼	77¼	..
C. P. R.	3½	'51	83	86	81¼
Do.	4	'49	87	90	86
Do.	4½	'44	89¼	92¼	90¼
Do.	6	'42	100¼	103¼	100¼
*Consol. Paper	5½	'61	36	39	33¼
Dom. Coal	4½	'52	103	106	103
Dom. Stl. & C.	6½	'55	106	109	104¼
Dom. Tar	4½	'51	102¼	105¼	102
Donnacona P.	4½	'56	67	70	67
Famous Players	4½	'51	102¼	105¼	102¼
Federal Grain	6	'49	91	94	89¼
Fraser Cos.	6	'50	90	93	90
Gen. Stl. Wares	4½	'52	99	102	98¼
Great Lakes P.	5	'55	81	84	79
Gypsum, Lime	5½	'48	99¼	102¼	99¼
Ham. By-Pr. C.	5	'55	101¼	104¼	101¼
Inter-City Bak.	5½	'48	103	106	103
Int. P.&P. Nfld.	4½	'68	102	105	102
Lake St. John P. & P.	5½	'61	71	74	69
Maple Leaf M.	3	'58	56¼	59¼	57
Massey-Harris	4½	'54	93¼	96¼	93¼
McColl-Fron.	4½	'49	102¼	105¼	102¼
McCormick's	4	'52	90	93	90¼
M. & O. Paper	6	'45	26	29	22¼
Nat. Grocers	4	'47	101	..	101
N. S. Stl. & Co.	3½	'63	83¼	86¼	83
Pres. E. Dome	6	'43	101¼	104¼	101¼
Price Bros.	5	'57	91	94	90
Prov. Paper	5½	'47	102¼	105¼	102
Reliance Grain	4½	'52	86	89	86
Rolland Paper	4½	'51	102¼	105¼	102¼
Simpsons Ltd.	4½	'51	99¼	102¼	99¼
Smith, Howard	4½	'51	103¼	106¼	103¼
Steel of Can.	6	'40	104	107	104¼
United Gas	5½	'48	103¼	106¼	103¼
United Gr. Grs.	5	'48	95	98	95
Western Grain	6	'49	36	39	36

*Payable in Can. or U.S.
†Payable in Can., U.S. or U.K.
Payable in Can. or U.K.
Payable in U.S. only.

Mining Dividends

	Rate	Close July 17	Yield %
Beattie Gold	15c	1.27	[illegible]
Bralorne	80c+30c	11.75	[illegible]
Buffalo Ankerite	$1	11.75	[illegible]
Bulolo Gold	$3	24.00	[illegible]
Can. Malartic	9c	.72	[illegible]
Cariboo Gold	16c+4½c	2.10	[illegible]
Central Patricia	16c+4c	2.45	[illegible]
Coniagas	25c	1.80	..
Coniaurum	15c	2.09	..
Cons. Smelters	$1+$1	42.00	[illegible]
Dome Mines	$2	33.25	6
Falconbridge	30c	5.50	[illegible]
Goldale	†2c	.19½	..
Gunnar Gold	6c	.46	13
Hedley Mascot	12c+4c	.82	[illegible]
Hollinger	65c+45c	15.25	[illegible]
Howey Gold	3c	.34½	..
Hudson Bay	$1.50	33.50	4.5
Inter. Mining	40c	7.00	5.7
Int. Nickel, com.	$2	49.75	4
Island Mountain	10c	1.06	9.4
Jack Waite	†1½	.12	..
Kerr Lake	5c	.50	10
Kirkland Lake	8c+2c	1.54	[illegible]
Kootenay Belle	16c+4c	.80	..
Laguna	†5c	.11	..
Lamaque Gold	30c+15c	6.75	[illegible]
Lake Shore	$4	41.00	9.7
Lava Cap M.	11c	.71	..
Leitch	6c	.82	..
Little Long Lac	30c	2.80	10.7
Macassa	20c+5c	4.80	[illegible]
McGillivray Coal	3c	.21	..
McKenzie Red Lake	12c	1.34	8.9
Moneta	9c	1.08	..
McIntyre Porc.	$2	56.75	3.5
Noranda	$4	80.00	5
Nipissing	15c	1.30	..
North Empire	80c	9.25	8.6
O'Brien Gold	†10c	2.40	..
Pamour Porc.	8c	2.44	..
Pato Cons.	10c	2.25	..
Paymaster	2c	.47	..
Perron Gold	16c	1.87	8.5
Pioneer, B.C.	40c	2.42	16.4
Pickle Crow	40c	4.75	8.4
Placer Develop.	$1.20	13.63	8.8
Premier	12c	1.85	6.5
Privateer Mine	10c	1.25	..
Quebec Gold	†2c	.43	..
San Antonio	14c	1.70	[illegible]
Sheep Creek	16c+2c	1.18	[illegible]
Silbak Prem.	12c	1.30	9.2
Siscoe	12c	1.24	9.7
Sudbury Basin	5c	2.20	..
Sullivan Cons.	5c	.76	..
Sylvanite Gold	20c+5c	3.35	[illegible]
Teck-Hughes	40c+5c	4.25	[illegible]
Toburn	8c+6c	1.80	[illegible]
Ventures	15c	5.00	..
Wright-Harg.	40c+30c	8.15	[illegible]

*Yield including bonus. †Initial.

Municipal Bonds

July 18, 1939

			Bid	Ask	Yield
†Halifax	5	1961	112.25	113.25	[illegible]
Hamilton	5	1950	111.10	112.60	[illegible]
Montreal	5	1945	100.00	100.75	[illegible]
Ottawa	4½	1945	107.25	108.75	[illegible]
†Quebec	5	1959	107.25	108.25	[illegible]
Saint John	5	1950	108.00	109.00	[illegible]
†Toronto	4½	1955	111.80	113.80	[illegible]
†Vancouver	5	1950	97.00	101.00	[illegible]
Winnipeg	5	1944	100.00	103.00	[illegible]

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.50	[illegible]
Can. Amer. Trust	3.15	[illegible]
Can. Inv. Fund	3.80	[illegible]
All Can. Trustee	12.00	[illegible]
Trans-Canada	11.60	[illegible]
Grouped Income	....	[illegible]
Can. Int. Tr., modified	5.00	[illegible]

Dividends Declared

	This payment	Date payable	Date of record
gnew-Surpass	30c	Sept. 1	Aug. 15
Do. bonus	20c	Sept. 1	Aug. 15
Do. pref.	$1.75	Oct. 2	Sept. 15
ng. Can. Tel., pf.	68¾c	Aug. 1	July 15
ult & Wiborg, p.	$1.37½	Aug. 1	July 15
ssoc. Tel. & T., p.	49c	Aug. 15	Aug. 1
Do. $6 pref.	42c	Aug. 15	Aug. 1
ank of Toronto	$2.50	Sept. 1	Aug. 15
eatty Bros. 1st pf.	$1.50	Aug. 1	July 15
eattie Gold	5c	Aug. 15	July 31
C. Tele., 2nd pf.	$1.50	Aug. 1	July 17
uff. Ankerite	25c	Aug. 15	Aug. 1
an. Indust., A, B	$1.50	July 31	June 30
an. Nor. Pwr.	30c	July 25	June 30
an. Inv. Fd. sp. ord.	4c	Aug. 1	July 15
oast Brew.	3c	Aug. 1	July 17
rown Cork	40c	Aug. 15	July 31
on.-Malartic	3c	Aug. 4	July 18
Bk. of Commerce	$2	Aug. 1	June 30
oniaurum M.	5c	Aug. 8	July 24
an. South. Rly.	$1.50	Aug. 1	June 30
oniagas Mines	12½c	Aug. 10	July 29
an. Bronze	37½c	Aug. 1	July 20
Do. pref.	$1.25	Aug. 1	July 20
algary Power, pf.	$1.50	Aug. 1	July 15
ommonwealth Int'l.	4c	Aug. 15	July 15
onduits Nat.	10c	Aug. 8	Aug. 3
an. Investors	10c	Aug. 1	July 18
ominion Bank	$2.50	Aug. 1	July 20
om. Tar, pfd.	$1.37½	Aug. 1	July 12
ist.-Seagram, pf.	$1.25	Aug. 1	July 15
ast. Theatres, pfd.	$3.50	July 31	June 30
ast. Bakeries, pfd.	81¼c	July 15	July 1
nsign Insur.	$1.50	July 3	June 30
en. Steel W., pf.	$1.75	Aug. 1	July 20
yd-Elec. Sec., B p.	25c	Aug. 1	July 18
umberstone Shoe	25c	Aug. 1	July 15
nter. Nickel, pf.	$1.75	Aug. 1	July 3
nter. Metal Ind., p.	$1.50	Aug. 1	July 15
Do. "A" pref.	$1.50	Aug. 1	July 15
mperial Bank	$2.50	Aug. 1	June 30
nter City Bak.	$1.50	July 31	July 15
ootenay Belle	4c	July 22	July 15
oblaw Inc.	‡20c	June 1	......
Mtl. L H & Pr.	38c	July 31	June 30
Mtge. Corp. N.S.	$1.50	Aug. 1	July 24
Nat. Biscuit, pfd.	$1.75	Aug. 31	Aug. 15
Nor. Ont. Pwr.	60c	July 25	June 30
Do. pref.	$1.50	July 25	June 30
aymaster Cons.	1c	Aug. 15	July 31
enmans	75c	Aug. 15	Aug. 5
Do. pref.	$1.50	Aug. 1	July 21
ower Corp., com.	†30c	July 25	June 30
acific Coyle	3c	July 25	July 15
oyal Bank	$2	Sept. 1	July 31
oyal Can. Oils	1c	Aug. 10	July 28
olland Pap.	13c	Aug. 15	Aug. 5
Do. pref.	$1.50	Sept. 1	Aug. 31
. Law. Flour	25c	Aug. 1	July 20
Do. pref.	$1.75	Aug. 1	July 20
outh. C. Pwr.	20c	Aug. 15	July 31
herbrooke Trust	$1.50	Aug. 1	July 15
undance Rylts.	*	Aug. 3	July 20
aguenay Pwr, p.	$1.37½	Aug. 1	July 14
impsons, pfd.	$1.25	Aug. 1	July 19
teel of Can.	43¾c	Aug. 1	July 7
Do. pref.	43¾c	Aug. 1	July 7
ilbak Prem.	4c	July 25	July 5
udbury Basin	5c	July 27	July 17
t John Dry D., pf.	$1.38	July 1	June 26
ec. Std. Rylts., pf.	1c	Sept. 1	Aug. 15
eburn Gold	2c	Aug. 22	July 21
Do. extra	2c	Aug. 22	July 21
entures	5c	July 29	July 18
nit. Corp., A	38c	Aug. 15	July 31
nion Gas	20c	Sept. 15	Aug. 19
ood, A. & J., 1 p.	$1.75	Aug. 1	July 25
alker-G. & W.	$1	Sept. 15	Aug. 25
Do. pref.	25c	Sept. 15	Aug. 25
eston, Geo., pf.	$1.25	Aug. 1	July 15
'minster Paper	25c	Nov. 1	Oct. 15
eller's pref.	37½c	Aug. 1	July 15

†Interim. *Repayment of drilling loan; mount to be announced later. ‡Initial.

Foreign Exchange

AT TORONTO AND MONTREAL

. S. Dollar	High	Low
July 17	1.00$\frac{1}{16}$	1.00⅛
July 15	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$
July 14	1.00$\frac{1}{16}$	1.00$\frac{1}{32}$
July 13	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$
July 12	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$
July 11	1.00¼	1.00$\frac{1}{32}$

. K. Pound	Closing	Last Year
July 17	4.68⅞	4.95½
July 15	4.69⅛	4.96¼
July 14	4.69⅛	4.96½
July 13	4.69⅛	4.96¾
July 12	4.69¼	4.96⅜
July 11	4.69¼	4.96½

Other Currencies, July 17

Australia	3.75½	Italy	.0527
Belgium	.1702	Japan	.2735
Denmark	.2093½	Jugoslavia	.0232¼
France	.0265⅜	N. Zealand	3.78½
Germany	.4018½	Norway	.2356
Greece	.0086¼	S. Africa	4.68¼
Holland	.5343½	Sweden	.2416½
Hungary	.1972	Switzerland	.2257
India	.3502	Hong Kong	.2891

DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 210

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1939, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st August next, to shareholders of record at the close of business on the 30th June, 1939. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 23rd June, 1939.

The Dominion Bank

Dividend No. 227

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1939, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of August, 1939, to shareholders of record of the 20th July, 1939.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 15th June, 1939.

The Bank of Toronto

Dividend No. 232

Notice is hereby given that a Dividend of **Two and One-half** per cent. upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of September next to shareholders of record on August fifteenth, 1939.

By Order of the Board.

F. H. MARSH,
General Manager.

The Royal Bank of Canada

DIVIDEND NO. 208

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Friday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1939.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., July 11, 1939.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Company Reports

Bowater's Nfld.

Bowater's Newfoundland Pulp & Paper Mills, formerly International Power & Paper Co. of Newfoundland, had net earnings of $1,275,394 in 1938. This compares with $1,889,556 in 1937 and $1,504,931 in 1936.

Newsprint sales of the company in 1938 were lower than in any year during the depression, amounting to only 113,199 tons. This compares with 192,010 tons in 1937 and 183,563 tons in 1936.

There are a number of changes in balance sheet items. Fixed assets are carried at $42,690,000. This includes plant, equipment, townsite and steamships valued at $34,852,620, compared with $34,749,201 a year ago.

Timberlands, after depletion and water power rights, are shown at $7,435,796. At the end of 1937 these items, after deducting depletion reserve of $1,298,320, which was shown under liabilities, had a value of $4,577,602. Value of woods improvements and equipment has increased from $172,362 to $401,582.

Cash resources show a marked increase to $1.7 millions. Accounts receivable are down from $3.3 millions to $1.5 million. Inventories are up over $300,000 to $3,368,385.

The total amount of bonds and debenture stock outstanding has been increased from $24,883,305 to $25,571,695. An additional 100,000 shares of common stock were issued during 1938, bringing the amount outstanding to 800,000.

Income and Surplus Account
Years Ended Dec. 31

	1938 $	1937 $
Net earnings	1,275,394	1,889,556
Less: 1st mtge. int.	309,990	310,356
Debent. & other int.	798,533	844,892
Depreciation	634,078	754,220
Bond disc. w/o	15,612	15,540
Net loss	482,819	35,451
Add: Prev. surplus	2,402,770	2,263,713
Adjustment	......	174,508
Earned surplus forw'd	1,919,951	2,402,770

Working Capital

	1938 $	1937 $
Current assets	6,591,578	6,454,254
Current liabilities	1,936,743	807,006
Working capital	4,654,835	5,647,248

Can. Gen. Investments

Net income of Canadian General Investments shows a small decline for the six months ended June 30, 1939. Explanation of Rt. Hon. Arthur Meighen, president, is that "total dividend payments by Canadian corporations during the six months period under review showed a drop of 4.4% from the level of the corresponding period of last year. The effect of this has been felt by your company in a small reduction (3.2%) in its net income which, however, is still running substantially above dividend requirements at the rate currently being paid."

Net liquidating value per share as at June 30, 1939, was $11.73 which compares with $13.05 a share at Dec. 31 and $12.03 a share at June 30, 1938. Marketable securities had a book value of $6.2 millions at June 30 this year and a market value of $6.9 millions. Net assets of the company had a net value of $7,049,102 at June 30 as against $7.8 millions at Dec. 31, 1938, and $7.2 millions a year ago. This reduction of approximately 10% in the first half of this year is said by the president to be substantially less than that shown by the Dow-Jones industrial average and less than that shown by the investors' index of 95 Canadian common stocks.

Changes in portfolio resulted in net profits of $35,218 in the past six months. This, in addition to $2,962 received for securities previously written off, was added to capital surplus distributable account bringing this item to $3 millions.

The company reports a contingent liability to purchase 12,500 shares of stock, if, as, and when called, at 60 cents a share. Present market of this stock is 26 cents a share.

Income and Surplus Account
Six Months Ended June 30

	1939 $	1938 $
Income from invest.	205,112	
Add: Other income	236	
Less: Loan interest	95	
Net income	205,253	
Less: Mgmt. fee	12,500	
Directors' fees	1,330	
Miscellaneous	1,782	
Net before inc. tax	189,641	196,050
Less: Dividends	150,145	150,145
Surplus before inc. tax	39,496	45,905
Add: Surplus forward	345,886	258,927
Surplus before inc. tax	385,382	304,832
Earned per Share	$0.32	$0.33
Paid	0.25	0.25
Equity per Share:	$11.73	$12.03
Shares O/s, n.p.v.	600,589	600,589

Eastern Dairies

Operating profit of Eastern Dairies for the year ended March 31, 1939, dropped to $245,460 from $317,605 in the previous year.

Net loss for the year is shown at $189,358. It should be noted, however, that in previous years discount on bonds redeemed and amortization of bond discount and expense have been reflected in earnings. Last year these items were transferred to capital deficit account. If they had been treated as in previous years, the net loss would have been only $168,618.

The balance sheet reflects numerous changes. Goodwill, bond discount and expenses, commission on preferred shares and organization expenses shown in previous years as assets on the balance sheet, have been charged to capital deficit, which is shown at $2.5 millions. The changes in the balance sheet had the effect of writing down the company's investment in its subsidiaries to its equity in the tangible assets of the companies.

The balance sheet shows the publicly held equity of the preferred shares of Acme Farmers Dairy and Crescent Creamery Co. in the assets of the companies at $858,475 and $694,032 respectively. The equity shown for the preferred shares of Acme Farmers Dairy includes provision for dividends accrued but not declared on these shares to March 31, 1939. In the case of Crescent Creamery Co. provision has been made for accrued dividends to the extent that net assets are available for such dividends.

Cons. Income and Surplus Account
Years Ended March 31

	1939 $	1938 $
Oper. profit	245,460	317,605
Add: Inc. from invest.	5,042	12,197
Prof. on sale of secs.	3,594	*3,634
Prof. on bonds red.		24,863
	254,096	351,031
Less: Exec. salaries	41,438	38,734
Directors' fees	2,640	1,820
Legal fees	1,651	10,613
Net earnings	208,367	299,864
Less: Bond interest	157,784	167,158
Exchange premium	1,995	1,820
Depreciation	236,744	218,444
Prov. inc. tax	1,201	1,492
Bond disc. w/o	......	12,515
Net loss	189,357	101,565
Add: Prev. deficit	279,795	179,360
Adjustments (net)	1,032	†130
Less: Amort. Transf.‡	20,772	
Deficit forward	449,412	279,795

*Loss. †Credit. ‡Accumulated amortization of bond discount and expense to Mar. 31, 1938, less profit on bonds redeemed transferred to capital deficit.

Working Capital

	1939 $	1938 $
Current assets	655,432	709,312
Current liabilities	640,799	620,799
Working capital	14,633	88,513

Capital Deficit Account
As at Mar. 31, 1939

	$
Goodwill written off	2,048,218
Bond discount w/o*	268,895
Organization expenses w/o	20,021
Written off investments	161,665
Acc. amortization†	20,772
Accrued pref. divds. of subsids.▲	298,207
Less: Disc. on inter-company holdings■	203,829
Profit on bonds redeemed	33,139
Surplus	428
Capital deficit	2,580,382

*Includes commission on preferred shares of Eastern Dairies. †Transfer from deficit from operations of accumulated amortization of bond discount to Mar. 31, 1938, less gain on bonds redeemed to that date. ▲To extent net assets in respective companies available therefore. ■Inter-company holdings of bonds of Eastern Dairies and preferred shares of subsids.

Clarendon Properties

Financial statement issued by Royal Trust Co., trustee and manager of Clarendon Properties Ltd., shows income available for bond interest of $10,500 in the six months period ended May 31, 1939. Surplus at the end of the period totalled $416.

Income and Expenditures
Year Ended May 31, 1939

	$
Receipts:	
Balance forward	500
Rentals (net)	23,310
Sale of furniture	40
Total income	23,850
Less disbursements:	
Oper. exp. & taxes	10,625
Gen. & admin.	324
Rental exp.	1,420
Bond int. & exp.	10,544
Equip. purchased	521
Surplus forward	416

Clarendon Apts.

Income of Clarendon Apartments in the six months ended May 31, 1938, declined fractionally from that of the corresponding period in the previous year.

Surplus at the end of the period ended May 31, 1939, was $5,398, compared with $4,307.

Income and Expenditures
Six Months Ended May 31

	1939 $	1938 $
Receipts:		
Balance forward	3,014	4,180
Rentals	19,587	18,786
Total income	22,601	22,966
Less disbursements:		
Oper. exp. & taxes	9,304	9,787
Gen. & admin.	323	75
Rental exp.	1,221	1,248
Bond int. & exp.	6,355	7,549
Balance forward	5,398	4,307

Royal Windsor Apt.

Revenue of Royal Windsor Apts. showed a slight decrease in 1938, London and Western Trusts Co., receiver and manager, states.

Taxes were paid in full to the end of 1938, including arrears of $4,785 owing at the end of the previous year. All claims having priority to bondholders have been paid with the exception of legal and receiver's fees.

Revenue is accumulating for payment of fees and distribution to bondholders, the receiver and manager reports, but there will be no distribution for 1938. It would require $11,074, plus past due interest from Nov. 25, 1930, to pay one coupon. There was $4,601 cash on hand at the end of 1938.

The building is reported in excellent condition, but vacancies have been higher and gross revenue for the first six months of the current year was down $900.

Revenue and Expenditure Account
Years Ended Dec. 31

	1938 $	1937 $
Gross revenue	27,532	28,098
Less: Heat, etc.	2,947	2,831
Wages, etc.	5,671	5,708
Painting	2,015	1,555
Repairs	2,007	1,621
Furnish. & supplies	951	726
Legal	40	15
Advertising	157	172
Telephone	104	127
Taxes	9,018	7,390
(1938—$4,059)		
Insurance	153	981
Furniture acct.	....	1,405
Sundries	71	90
Int. on rec.'s prev. overdrafts	733	....
Balance	3,665	5,477

Growers Wine Co.

Earnings of 13 cents per share are reported on Growers Wine Co.'s 367,210 common shares outstanding for the year ended April 30, 1939, before taking into account income of $16,362 in the form of dividends from the wholly owned subsidiary, Victoria Wineries, Ltd.

The dividend income was equivalent to another 4.4 cents per share on Growers Wine stock, bringing the total net profit and income to approximately 17.4 cents per share.

Earnings of the parent company were slightly higher in the previous year—13.4 cents per share, but dividend income was lower at $10,908, or 2.9 cents per share, bringing the total net profits to 16.3 cents per share.

Working capital improved $18,728, being $336,729.

Gross profit of the parent company was $120,809 in the past year after deducting manufacturing costs, bottling, wages, supplies, and so on. This compared with $134,712 in the preceding year.

Can. Industrial Alcohol

Consolidated net profit of Canadian Industrial Alcohol Co. and subsidiaries for the quarter ended May 31, 1939, totalled $30,424 or 2.7 cents a share on the combined class A and B stock. This contrasts with a net figure of $21,580, or 1.9 cents a share in the preceding three months.

Operating profit, after selling and administrative expenses for the quarter ended May 31 last, totalled $91,908, compared with $74,387 for the preceding three months, while total income, including miscellaneous, was $96,434 against $82,585.

Behind 1938 Returns

Cumulative returns for the nine months ended May 31, 1939, show operating profit at $338,923 as against $470,989 in the nine months ended June 30, 1938. Additional miscellaneous income brought total revenue to $363,021 against $537,681. After all charges net profit amounted to $147,236, equal to 13.2 cents a share on the combined A and B stock. This contrasts with $208,800, or 18.7 cents a share, a year ago.

Consolidated profit and loss account figures follow:

Consolidated P. & L. Account
Three Months Ended

	May 31 1939 $	Feb. 28 1939 $
Operating profit:		
Domestic	82,265	66,337
Foreign	12,365	7,153
Robt. McNish Co.	■723	897
Total oper. prof.	91,908	74,387
Add: Misc. inc.	4,526	8,198
Total income	96,434	82,585
Less: Exec. sals., fees, etc.	9,573	10,524
Deb. interest	801	806
Depreciation	40,011	39,903
Inc. tax prov.	15,624	9,773
Net profit	30,424	21,580

Nine Months Ended

	May 31 1939 $	June 30 1938 $
Operating profit:		
Domestic	299,635	303,461
Foreign	30,270	135,024
Robt. McNish Co.	9,017	32,504
Total oper. prof.	338,923	470,989
Add: Misc. inc.	24,097	66,692
Total income	363,021	537,681
Less: Exec. sals., fees, etc.	31,416	42,132
Other charges†	......	16,646
Deb. interest	7,667	88,664
Depreciation	119,653	119,445
Inc. tax prov.	57,047	61,994
Net profit	147,236	208,800

† Including loss from sale of fixed assets and non-operating overhead.
■ Deficit.

Hiram Walker

Earnings of Hiram Walker-Gooderham & Worts for the three months ended May 31 of this year continue the moderate decline from a year ago. The drop is smaller, however, than for any previous quarter in the current year. On this basis it might not be too much to expect that earnings for the final quarter of the year which ends Aug. 31 will be quite close to the $1.47 a share reported a year ago.

For the nine months ended May 31, 1939, Hiram Walker has earned $5.37 a share on its common stock as compared with $6.58 a share in the first three quarters of the previous year. The company has thus earned the regular $4 a share annual dividend with a margin of $1.37 a share in the first nine months of the year.

Quarterly Earnings
Three Months Ended May 31

	1939 $	1938 $
Operating profit	1,712,441	1,762,424
Add: Other income	46,541	54,405
Total income	1,758,982	1,816,829
Less: Depreciation	195,235	185,057
Debenture int.	128,161	85,867
Bank interest	16,176	38,080
Prov. for inc. taxes	292,454	323,722
Net profit	1,126,956	1,184,163
Earns. per Com. Share	$1.36	$1.48

Nine Months Earnings
Nine Months Ended May 31

	1939 $	1938 $
Operating profit	6,223,252	7,157,636
Add: Other income	272,181	259,390
Total income	6,495,433	7,417,026
Less: Depreciation	624,900	554,150
Debenture int.	390,067	189,601
Bank interest	92,073	126,093
Exp. re sale of stk.	29,160	......
Prov. for inc. tax	1,070,817	1,439,741
Net profit	4,288,416	5,107,441
Earns. per Com. Share	$5.37	$6.58
No. of Shs. Outstanding	724,004	724,004

Dominion-Scottish

Dominion - Scottish Investments Ltd. reports a decrease in income during the year ended May 31, 1939, which "was not unexpected as it usually follows some time after the market has discounted the business recession." C. S. Macdonald, chairman, goes on to say that "if war is averted in Europe and saner councils prevail in the United States, your directors are hopeful that the worst of the income decrease is over for the present and that earnings may be maintained during the present fiscal period."

Dividends equivalent to 4.4% were paid on the preferred shares last year as compared with full 5% requirement in the preceding year. This left arrears of $5.55 a share. Net asset value per share is up from $35.47 at May 31, 1938, to $40 a share.

Net profit realized from sale of securities during the year of $66,180 has been transferred to investment reserve. Investments at book value, less reserve, are shown at $3.8 millions and have a market value of $2,953,500. A year ago corresponding figures were book value of $3.7 millions and market value of $2.8 millions.

Annual meeting is to be held in Toronto on July 27, 1939.

Income and Surplus Account
Years Ended May 31

	1939 $	1938 $
Inc. from invest.	173,521	196,631
Less: Rents, sals., gen. exps.	9,995	10,870
Directors' fees	3,000	3,000
Executive salary	2,500	2,500
Legal expenses	......	844
Inter., exchange, etc.	695	1,894
Trustees', audit, regist. fees	2,746	2,133
Net earnings	154,585	175,390
Less: Bond interest	40,000	37,107
Income taxes*	4,515	4,771
Net profit	110,070	133,512
Less: Preference divid.	108,099	122,840
Surplus for year	1,971	10,672
Add: Prev. surplus	60,630	68,282
Less: Bond disc. & exp.	......	18,324
Surplus forward	62,601	60,630
*Includes adjustments.		
Earned per share:		
Preferred: Earned	$2.25	$2.72
Paid	2.20	2.50
Common: Earned	$0.14	$0.12
None paid.		
Equity per share:		
Preferred	$40.00	$35.47
Common	nil	nil
Shares Outstanding:		
Preferred, $50 par	49,136	49,136
Common, $1 par	89,153	89,153

B. C. Packers

Net profit of British Columbia Packers Ltd. for the 16 months period ended April 30, 1939, amounted to $132,802, equal to 97 cents a share on the common stock outstanding. This profit is equal to 2.16% of sales against 1.48% in the previous period. In the year ended Dec. 31, 1937, net profit was equal to 47 cents a share on the common stock.

It is explained that the change in the company's fiscal year brings the year end to a date in keeping with its operations. The seasonal nature of the company's production resulted in the absorption during the latest fiscal period of four months additional expense, H. R. MacMillan, president, states in the annual report.

Earnings on goods processed equalled 6 cents for every 100 pounds of raw products, Mr. MacMillan says.

The company continued its policy of extending plants and activities to take advantage of the natural resources and markets available. Advantage was taken of a cheaply acquired and partially equipped site at Pacofi, Moresby Island in the Queen Charlotte Islands, to establish a cannery and reduction plant. The fleet was increased by construction of one boat and purchase of a large fish packer, as well as several salmon boats.

On May 1, 1939, the company took over a cannery at Saanich, B.C., formerly operated by the Saanich Canning Co., producers of canned clams, loganberries and other small fruit. This places the company in another field of operations.

Annual meeting of the company will be held July 27.

Following are important changes in the balance sheet:

Balance Sheet Items

	Apr. 30 1939 $	Dec. 31 1937 $
Bills & accts. rec.	404,554	327,479
Inventories	1,799,465	2,079,145
Bond disct. & exp.	58,639	......
Fixed less deprec.	2,232,366	3,375,661
Bonds	1,000,000	189,000
Bank loans	......	1,148,747
Accts. pay. & accr. int.	461,447	230,061
Bills payable	50,000	......

Consol. Income and Surplus Account
Periods Ended

	‡Apr. 30 1939 $	Dec. 31 1937 $
Sales	6,153,405	4,312,193
Less: Cost of sales	5,202,350	3,559,999
Sal., admin. exp., etc.	432,362	338,173
Net oper. earnings	518,693	414,021
Less: Man. & exec. sals.	34,392	24,900
Directors' fees	2,350	2,375
Legal & exp.	6,296	3,207
Net earnings	475,655	383,539
Less: Depreciation	259,996	272,034
Deb. interest	23,301	10,031
Tax reserve	57,881	37,695
Bd. disct. & exp.	1,675	......
Net profit & surp. for year	132,802	63,779
Add: Prev. surplus	131,576	67,797
Prior yr. adjusts.	3,368	......
	267,746	131,576

‡From Jan. 1, 1938 to April 30, 1939.

Times Deb. Interest Earned:		
Before deprec.	8.75	38.24
After deprec.	3.30	11.12
Earnings per Share:		
Com.: Earned	$0.97	$0.47
Working Capital		
Current liabilities	551,394	1,404,014
Current liabilities	551,394	1,404,014
Working capital	1,693,726	1,007,476

DIVIDEND NOTICES

WEST CANADIAN HYDRO ELECTRIC CORPORATION LIMITED

Class B Common Dividend Notice

Notice of Closing of Register

Notice is hereby given that Interim Dividend No. 1 has been declared on the Class B Common Shares of the Company for the eleven months ended May 31st, 1939 at the rate of ten cents per annum. This Dividend is payable on July 25th, 1939 to Shareholders of record July 15th, 1939. Notice is further given that the Share Register will be closed for Transfers from July 16th, 1939 to July 20th, 1939, both dates inclusive.

By Order of the Board.

W. T. Haynes,
Secretary.

Vancouver, B.C.
July 11th, 1939.

Dominion Bridge Company, Limited

DIVIDEND NOTICE

A Dividend of THIRTY CENTS (30c) per Share has been declared on the No Par Value Shares of this Company for the Quarter ending 31st July, 1939, payable 15th August, 1939, to Shareholders of record at the close of business on the 31st July, 1939.

By Order of the Board,

F. W. EVENS,
Secretary.

Montreal, Que.,
18th July, 1939.

Leitch Gold Mines Limited

(No Personal Liability)

DIVIDEND No. 4

Notice is hereby given that a quarterly dividend of two cents per share has been declared by the Directors of this Company payable in Canadian funds on August 15th, 1939, to shareholders of record at close of business, July 31st, 1939.

By order of the Board,

H. J. MACKAY,
Sec.-Treas.

July 18th, 1939.

McIntyre Porcupine Mines LIMITED

(No Personal Liability)

DIVIDEND No. 83

Notice is hereby given that a dividend of ten per cent. (10%) on the Company's Capital Stock will be paid in New York or Canadian funds on September 1, 1939, to shareholders of record at the close of business on August 1, 1939.

By order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, July 17, 1939.

Week in Wheat

North American Markets Resist World Weakness

Big Canadian and U. S. Crops, Fear of Argentine Dumping Depressing Prices — Some Crop Damage

From Our Own Correspondent

WINNIPEG.—The big crops now maturing in western Canada and United States and the growing fear of Argentine dumping are combining to depress world markets. Winnipeg and Chicago, however, more familiar with the North American situation, which has deteriorated slightly in recent days, have shown resistance to the movement.

Export business of Canadian wheat continues fairly strong. Visible is now below 100 million bushels, a point not considered likely a few months ago.

* * *

Prospects Slip

Ten days ago western Canada was asking for hot weather to ripen a rank growing crop. This week these prayers were answered. But in some quarters at least the heat was more severe than necessary and prospects on the whole have slipped slightly.

A big crop, of course, is still a certainty but local dry spots, grasshoppers and hail have already modified the optimistic estimates of a fortnight ago.

* * *

More Rain Needed

The Dominion Government report this week reports that early crops, particularly in Manitoba, are not filling well and yields will be lighter than indicated by present stands. Grasshoppers are flying and under conditions of the past two weeks threaten to damage crops.

Rains over the past week end, it is reported, relieved a serious crop situation in the Peace River district. The weather of the past two weeks has left Alberta crops in the most favorable condition, but has been detrimental to prospects in northwestern, Southwestern and south central Saskatchewan and large areas in Manitoba. More moderate temperatures and additional moisture supplies are wanted for filling and maturing of the wheat crop.

Crop conditions in eastern Canada, it is said, have been well maintained.

* * *

High U. S. Subsidy

Sales of United States wheat and flour for export during the year ended June 30 totalled approximately 118,054,000 bushels, which included 90,168,000 bushels of wheat and 27,886,000 bushels in the form of flour, the U. S. Department of Agriculture reports. Of total sales, about 106,000,000 bushels have already been exported.

Sale of about 93,754,000 bushels was assisted by Federal export programme at a cost of about $25,700,000.

Total which was assisted by export programme included about 69,668,000 bushels of wheat and 24,086,000 bushels of wheat in the form of flour upon which an indemnity was paid.

Commodity Prices

While most purely industrial commodities have remained firm or moved slightly higher, weakness of crop lines, like wheat and cotton, have forced indices slightly lower. Silk has continued its advances.

Current trend, unless upset by unusual political developments in Europe, is expected to continue for some weeks. Gradually improving business can easily keep industrial lines of raw materials firm, but large carryovers of cotton and wheat plus favorable crop development in Canada and the United States point to continuance of surpluses in these lines.

	Latest week	Previous week	Same week last yr.
Cattle	$7.10	$7.00	$8.00
Hogs	9.90	10.15	12.75
Copper, lb.	.10¼	.10	.0975
Cotton, lb.	.0969	.0987	.0864
Rubber, lb.	.1657	.1636	.1496
Sugar, raw, lb.	.0283	.0293	.0285
Silk, lb.	2.64½	2.56½	1.85½
Wheat, Man. (bu.)	.54¾	.56⅜	.98⅛
Coffee, lb.	.05⅛	.05⅛	.04⅞
Hides	.11½	.11	.11
Weekly Indices			
Canada (D.B.S.)	73.2	73.3	79.1
Do., Wood, Gundy	53.4	53.9	57.9
U. S. Labor	75.6	75.5	78.3
Dow Jones (future)	48.41	49.13	49.95
Crumps (Brit.)	70.6	70.7	73.3
Fishers'	78.7	79.2	81.7
Monthly Indices			
Canada (D.B.S.):			
Retail (June)	82.9	83.1	84.0
W'sale (May)	73.7	73.4	80.3
U. S. (Apr.)	76.2	76.7	78.7
Gt. Brit. (Apr.)	97.2	96.6	103.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

Prairies Hail Loss Larger

Damage Reported Heavier Than Usual Up to Present

From Our Own Correspondent

REGINA.—Both private and municipal hail companies on the prairies report hail losses heavier than usual up to the present, a recent survey shows. Peak loss period is usually from now until mid-August unless cool steady rains of a couple of days duration set in every 10 days or so.

The Saskatchewan Municipal Hail Association reports little change in its amount of coverage as the result in a change of system. In the past, municipal secretaries reported on the farmers' acreages, but at the last general meeting of the association it was decided that farmers would have to make their own reports and were given a deadline. This date having passed the association is now in a position to summarize its coverage position.

Private Coverage Dropped

In Alberta private companies are reported to have dropped coverage on a couple of bad areas owing to the heavy losses that have occurred annually. It is believed that these areas have been included in the Alberta municipal hail insurance scheme and will be covered, but not to the same extent as with line companies.

With precipitation being at least back to normal, hail storms are also reverting to their normal paths, according to damage reports being received at various offices. Return of moisture brings with it increased hail hazards and with it increased need for coverage on part of the farmer who has a good crop which can finance some form of insurance.

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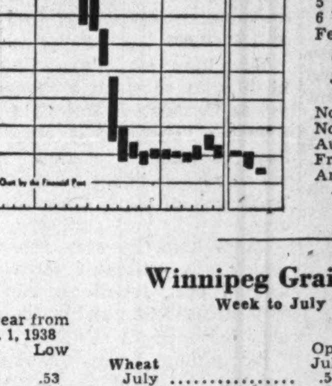
Wheat Prices



(Cash Quotations)
For Week

	July 18 High	July 18 Low	Prev. Week High	Prev. Week Low
1 Hard	.56⅛	.55¼	.61¾	.56⅞
1 Northern	.55⅝	.54¾	.61¼	.56⅜
2 Northern	.52⅛	.51¼	.57⅜	.52½
3 Northern	.47⅛	.46¼	.52¼	.47½
4 Northern	.45⅝	.44¼	.50¼	.45⅜
5 Wheat	.40⅛	.39¼	.44¼	.39⅜
6 Wheat	.36⅛	.35¼	.40¼	.35⅜
Feed Wheat	.35⅝	.34¾	.39¾	.34⅞

Combined Export Prices:
July shipments.

	Week to July 18	
No. 1 North. (Vanc.)	.70⅜	.68⅞
No. 3 North. (Vanc.)	.63	.61½
Australian (afloat)	.60⅞	.58⅝
French, soft	.51⅝	.49½
Argentine Rosafe†	.53⅛	.50½

†63½ lb. May.

Winnipeg Grain Futures

Week to July 18, 1939

Crop year from Aug. 1, 1938 High	Low		Open July 12	High for week	Low for week	Close July 18	Close year ago
		Wheat					
.67⅝	.53	July	.54⅝	.55	.53	.54⅜	.98⅛
.68⅜	.53	Oct.	.54¾	.55⅜	.53	.54½	.78⅛
.68⅜	.55	Nov.	.56⅝	.56⅞	.55	.55⅛	.77⅞
.68⅜	.54¾	Dec.	.56⅝	.57	.54¾	.56¼	.76¼
		Oats					
.32	.25½	July	.27⅛	.27⅛	.25½	.26	.43¾
.31½	.25⅜	Oct.	.26⅝	.26¾	.25⅜	.26⅜	.34¾
.30	.25	Dec.	.26⅛	.26½	.25	.25⅞	.32⅜
		Barley					
.41¾	.33⅛	July	.34⅜	.34½	.33⅛	.34⅛	.48⅝
.41½	.32	Oct.	.33⅜	.34¼	.32	.34⅞	.47⅛
.41	.32	Oct. (new)	.33½	.34¼	.32	.34⅛	.....
.40¼	.32¼	Dec.	.34¼	.34⅜	.32¼	.34¼	.48
		Flax					
1.59	1.39	July	......	1.42	1.40½	1.42	1.46
1.46	1.31⅝	Oct.	1.33¼	1.33¾	1.31⅝	1.33¾	1.46½
1.31	1.29	Dec.	1.31	1.31	1.29	1.31	.....
		Rye					
.51¼	.35⅜	July	.....	.37⅞	.35⅜	.37⅞	.50
.51¾	.35¾	Oct.	.38¾	.39⅛	.35¾	.38⅞	.50¾
.48½	.37	Dec.	.40⅛	.40⅝	.37	.40	.51¼

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The Week in Mining

Market Trend Shows Mining Stock Stability

Outlook For Base Metals Very Bright, Whatever Outcome of Present Uncertainty—Gold Mines Welcome Latest Government Interference

Mining stocks responded weakly to the upsurge which struck the New York industrial board early this week. More than anything else that fact attests the relative absence of an alert public interest in mining speculation. For months now, mining shares have in general been in the doldrums at prices which have seldom offered a nickel for magnificent prospects and have reflected only a cynical appraisal of past achievements.

The present position of mining shares is in a sense paradoxical. Not many years ago it was the rank speculator—gamblers they were called—who made the mining market. Today many of the well-informed speculators are "investing" in mines, speculating in industrials; sitting tight with well-selected mining securities, playing the changing colors on the European military and American political stages with industrial stocks for counters.

* * *

War or Peace

Come war or peace, recent market according to the speculator's the growing belief that Canadian mining shares have achieved stability. They have apparently emerged from the category of stock to be pushed in and out of the market according to the speculator's guess as to the future whim of obsessed potentates.

War or peace, the outlook for base metal shares is good. Copper has been giving a boom performance in recent weeks, both in price and volume. In war the Empire and its allies would need vast supplies of the base metals Canada has to supply in such vast quantity. With peace the western world, and especially this continent, would be demanding tremendous supplies of base metals for doing all the things that have been put off during the months and years of tragic uncertainty.

There are new factories to build and equip; thousands of plants to refit and re-equip. There are millions of new homes to build; electric light systems to renew and extend.

* * *

Not Impossible

It is unnecessary to point to the many recent confirmations of the importance of gold in the international monetary scheme. Roosevelt has regained his special authority to revalue the gold (or dollar) price. While use of his power to raise the gold price is not expected, it is nevertheless possible that, in election years, the Administration might get itself into a political or economic tight spot where gold-hoisting would seem an easy way out.

In view of these considerations the well-informed buyer of Canadian mining shares should probably expect fewer fireworks than if he were an industrial stock addict.

The clock looks as if it had turned full circle. The mining investor, once scorned by the industrial addict as a rank speculator and worse, meanwhile has his day as the sober, conservative, plodding investor.

* * *

Curb High Grading

There may be more dividends for Canadian gold stock investors after this month. The new regulation of the Ontario Government ordering the licensing of every refinery goes into effect Aug. 1. It is estimated in reliable quarters that every year the mines of Ontario have been losing about $700,000 to $1 million in high-grade ore pocketed at the properties. To cash in on this ore somebody had to have a refinery.

Officials have had some curious chases, following small refineries from the United States to western Canada, back to Ontario and so forth. If Joe Zilch, suit presser had a refinery, officialdom might think it odd but could do nothing about it. Under the new law officialdom gets a record of where all the refineries are and can find out the whys and wherefores if the setup looks interesting. This is one piece of regulation that the mines fully favor.

* * *

Western Coal Outlook

Reports in Toronto that Ontario men are interested in the Estevan lignite mine field have elicited a further report that Galt and Toronto men have had experts visit the field for a check.

Outlook in the Estevan mine field has undergone a radical labor change as the result of the closing up of a couple of mines and the taking over of the Truax-Traer Company by western interests who plan to develop strip mining in a big way.

As the result of this development, owners showed scant interest in the proceedings of a conciliation board setup by the Dominion Department of Labor to adjudicate the dispute that arose between the United Mine Workers of America and the Canadian Labor Federation. Owners claim that they have no labor troubles under the new setup, recognizing neither union because strip mining requires much less manual labor.

If Ontario men decide to enter the Estevan field it will mean two large strip mining companies operating and it is quite likely that intensive competition will take place to capture the Winnipeg as well as the closer market. Deep-seam mining has been unprofitable in this field ever since the mines opened. Investors have received no return on their money.

* * *

Texas Iron

After producing not a single ton of her own iron requirements for the past 16 years, Canada has just seen ore turned out of Algoma Steel's New Helen mine. In a few years Joseph Errington's Steep Rock may be a producer.

Enjoying similar excitement is East Texas. Years ago, before the Civil War, East Texas had quite a respectable iron industry. Around the turn of the century large-scale development of the Lake Superior iron ranges with their advantage in cheap lake transportation, put the finishing touches on the East Texas iron business.

Now this area is expecting a rebirth with as much anxious interest as Canada. A Detroit research industrial engineer is reported to have developed a new process which renews hopes for economical treatment of East Texas hematite ores.

These hematite ores, reserves of which are estimated at over 200 million tons, reportedly run 45 to 55% metallic iron and are said suitable for open-pit mining.

By piping large quantities of natural gas from the near-by oil fields, the capitalists, who have already rounded up $250,000 for development, plan to erect an iron ore reduction plant for the production of sponge iron by the new process.

* * *

Mexican Co-operatives

Doomed to periodic chaos because of the United States silver policy, Mexico, under the Cardenas régime, is nevertheless attempting to do something for mining.

It apparently intends to incorporate abandoned mining tracts into federal mining reserves in which it will offer prospectors and other small-scale miners working privileges on a co-operative basis. This is not expropriation, just government aid for the co-operative operation of mining properties. The Mexican Government has already helped several such groups and has organized one to work two important gold properties in the large province of Sonora.

In each of the four principal mining areas in Mexico the Government has just ordered construction of a milling plant where smaller operators in each area can have their ores treated.

Bulolo June Production And Profits Are Lower

Production of Bulolo Gold Dredging for the month of June amounted to 11,819 oz. of fine gold, as against 13,732 oz. in May and 12,603 oz. in June of last year. Production was obtained from 1,255,000 cubic yards of gravel dredged compared with 1,329,000 cubic yards the previous month and 1,184,000 cubic yards in June, 1938.

Estimated working profit for June of this year was $262,745 with gold at $35 an ounce. May working profit was $316,890 and in June last year, $300,870.

McIntyre Profit Shows Increase

Higher production more than offset increased costs at McIntyre Porcupine Mines in the three months ended June 30, 1939, and net profit of $942,991 realized — equal to $1.18 a share — was greater than the $915,230 or $1.15 a share for the same period of last year.

Earnings for the June quarter were also higher than for the first three months of 1939, the last quarter of the company's fiscal year, when $1.14 a share was reported, four cents a share under the latest quarter reported.

Golden Gate Gets Additional Ore

New 600 Level Showing Deemed "Most Important"

Drifting on the 611 vein at the 600-ft level of Golden Gate Mining Co. has opened up an ore length of 240 ft. in the most important and strongest structure yet located, The Financial Post is informed by W. J. Lawson, vice-president.

Muck has averaged better than half an ounce of gold across 5-ft. for the full length, he states. At the west end, the vein has been intercepted by a fault beyond which it has not yet been picked up, but to the east it is continuing strong.

A 350-ft. crosscut was started last weekend to open the upward extension of the vein on the 475-ft. level. Two drill holes explored this area previously. The first hole gave four intersections ranging from $4.20 a ton to $5.60 a ton across 30 inches to 3 ft. and the second hole returned $35 across 12 inches and $4.50 over 24 inches.

June Profit $5,208

On the 200-ft. level, 150 ft. of ore has been opened up in the flat-lying 221 vein. Although much of the drift has been out of the ore, muck from the first 100 ft. has run $7.60 per ton. The latter part of the drift has been in better grade with the last 21 cars put through running over $30 per ton.

The vein is apparently swinging to the south. Stoping is expected to give values better than 12 per ton. On the 600-ft. level, 80 ft. of ore has been opened up in the 605 vein which is expected to yield at least $15 per ton across 10 ft. in stoping.

June production was $21,754 from 1,960 tons of ore, an average recovery of $11.10 a ton. Operating costs were $8.44 a ton including $2.93 for development. Operating profit is being held close to $5,000 monthly, amounting to $5,208 for June.

Sheep Creek's Profit In Past Year Higher

An estimated net profit of $404,175, equal to 21.6 cents a share, was realized by Sheep Creek Gold Mines in the year ended May 31, 1939, according to a preliminary statement released by the company along with the quarterly dividend cheque. This compared with 20 cents a share in the previous fiscal year.

During the year, a total of 54,512 tons of ore was milled with a production of $954,636, an average recovery of $17.51 per ton. Operating profit amounted to $582,428 from which was deducted $106,699 provision for taxes, $16,800 for depreciation and $54,754 for depletion, leaving net profit as above.

June production is estimated at $76,762 from 4,632 tons of ore, an average recovery of $16.57 a ton. In May, $90,484 was recovered from 4,567 tons, an average of $21.98 per ton.

Sand River Gold Mining Co. production was lower in June as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939	3,152	105	10.76	33,915
May, 1939	3,330	107	10.83	36,050

Ontario Gold Output Lower

June Figure Down But Six Months Total Higher

Although output of Ontario gold mines in June was lower, at $8,856,044 as against $8,986,534 the previous month, actual daily output was higher, amounting to $295,201 in June compared with $289,888 for May. Production was obtained from treating 866,258 tons of ore in June and 880,690 tons in May. In the latter month, the calendar made more production time available.

For the second quarter of 1939 production of Ontario gold mines was 5% higher than the previous three months. Output for the six months showed an increase of almost $5 millions over the comparable period of 1938.

Uchi, DeSantis and Agawa were three new companies to commence production in June, while Cochenour Willans stopped shipments to the Gold Eagle mill and the Tionaga mill was idle.

Monthly Output of Ontario Gold Mines

	1939 Tons milled	1939 Value $
Porcupine Belt:		
First quarter	1,227,982	11,046,555
April	417,387	3,697,016
May	426,854	3,871,651
June	424,296	4,008,665
Total	2,496,519	22,623,887
Kirkland Lake-Larder Lake Belt:		
First quarter	683,791	9,012,220
April	228,699	3,097,221
May	239,687	3,293,606
June	233,695	3,103,409
Total	1,385,872	18,506,456
Matachewan-Sudbury-Timagami:		
First quarter	161,866	821,949
April	55,236	270,255
May	52,873	254,284
June	53,007	219,392
Total	322,982	1,565,880
Northwestern Ontario (Includes Algoma, Thunder Bay, Patricia, Kenora and Rainy River districts):		
First quarter	459,254	4,551,471
April	155,832	1,569,065
May	161,276	1,566,993
June	155,260	1,524,578
Total	931,622	9,212,107
Total for Ontario:		
First quarter	2,532,893	25,432,195
April	857,154	8,633,557
May	880,690	8,986,534
June	866,258	8,856,044
GRAND TOTAL	5,136,995	51,908,330

Hollinger Profit Lower For 6 Mos.

Equals 51 Cents a Share Against 57 Cents Last Year

An estimated net profit of $2,522,381 equal to 51 cents a share is reported by Hollinger Consolidated Gold Mines for the six months ended June 30, 1939, as against 57 cents for the same period last year and $1.15 a share for the full year 1938.

Production the first half of 1939 was lower, amounting to $7,455,530, compared with $7,636,178 the first half last year although the tonnage of ore treated showed an increase at 853,063 tons in 1939 against 852,077 tons for the first half last year.

Total operating costs were higher by $201,716 in 1939, more than offsetting an increase in other income from $139,465 to $195,054 and a drop in depreciation charges from $314,920 to $254,016.

McDougall-Segur Extends Holdings

Takes 980 Acres on Jumping Pound Field—Earns 1.4c a Share

A total of 980 acres of gas and oil rights has been obtained by McDougall-Segur Exploration Co. on the Jumping Pound field, shareholders are informed in the company's annual report for year ended Mar. 31, 1939. A well is now being put down on this structure and in case of successful completion it will be important to the company, it is stated. During last year, 2,000 shares of Petroleum Investments were purchased at a cost of $6,200.

A profit of $41,585 realized for the 1939 year was equal to 1.4 cents a share as against a 1938 profit of $24,834 or 0.9 cents a share. Investments, not taken into current assets, included 4,400 shares of Royalite Oil Co. selling at $35 a share and 100,000 shares of Sunset Oils selling at 33½ cents a share. A 2½% royalty is held in Sunset No. 2 well in addition to other royalties.

Income and Surplus Account Years Ended Mar. 31

	1939 $	1938 $
Dividends received	39,955	6,600
Royalties†	13,767	33,628
Production account	*178	2,172
Sundry receipts	3,181	814
	56,725	43,214
Less: General exps.	7,409	5,343
Deprec. & deplet.	7,281	7,683
Income taxes	450	5,354
Net profit	41,585	24,834
Add: Prev. surplus	72,839	46,295
Advances prev. w/o	176	1,710
Inc. tax refunds	331	......
Surplus forward	114,931	72,839

*Debit. †After write-offs.

Earnings per Share & Divd. Record:

	1939	1938
Earned	$0.014	$0.009
None paid.		

Working Capital

	1939 $	1938 $
Current assets	60,423	37,197
Current liabilities	1,184	5,995
Working capital	59,239	31,202

Homestead Starts 2nd Well Studies Deepening 1st Well

Homestead Oil & Gas has started drilling its No. 2 well on its 384 acres of leases in Young County, Texas, a company report reveals. This well is located in the northern part of the property, adjoining leases of Tex-Tor Oil Corp. and due south of that company's No. 4 well completed recently with a production of 3,504 barrels daily on test.

The company's first well was drilled at the extreme south of the tract and proved low on structure at the Caddo formation, and commercial production was not indicated. At the Rathge well lying to the west of the company's holdings, however, the Caddo lime was reached at the same depth as at Homestead No. 1 and while commercial production was not secured there, at a depth of 4,225 ft., an impressive flow of oil and gas was obtained from the Marble Falls formation. Deepening the Homestead No. 1 well is now being studied.

Mining Enquiries

Waite Amulet

Please give me some detailed information on the position of Waite Amulet Mines.

Waite Amulet Mines is now proceeding with construction of a 1,000-ton daily capacity mill at its property in the Rouyn area of Quebec and it is anticipated this plant will be ready for production about Sept., 1939. On completion of the new mill, the present 500-ton unit will be closed down and some of its equipment shifted to the new mill which will continue to concentrate ore from the Waite section at a rate below its 1,000-ton capacity, until such time as mill feed can be drawn from the lower "A" ore body.

The "A" ore body has ore reserves estimated at 3,158,260 tons, averaging 6.64% copper, 4.65% zinc, 1.62 oz. silver and .05 oz. gold per ton.

Earnings with the new mill will depend to a large extent on the price of copper. The high grade copper content of the "A" ore body appears to assure very profitable operations, even should the price of copper go much lower than at present. As it is, the demand for copper has been picking up and copper stocks are not really excessive. The company appears to be fully financed for its present programme and earnings may be translated into dividends quite rapidly once the big new mill starts working.

Wood Cadillac

I understand that Wood Cadillac Mines is constructing a 225-ton mill and the price of the company's shares seems low, taking this into account. What do you think?

Although Wood Cadillac Mines is proceeding with construction of a new 225-ton mill, it appears too early as yet to determine just how profitable milling operations will be. Construction of the mill was arranged by borrowing, and through issuance of stock, and the builders expect to get back their loan from profits to be realized from already indicated ore. Profits that can be distributed as dividends will largely depend upon the opening up of further ore, as well as the substantiation of present tonnage and average value of ore indicated. Independent engineers who previously looked at the property stated there was insufficient ore developed to warrant erection of a mill but considerable work has been done since that time.

The price of the company's stock may be relatively low for a new producer, but the case is not entirely unparalleled. Amm Gold Mines, in close proximity to Wood Cadillac, financed mill construction in much the same way. Recovery has been lower than expected to date at this property, and the outlook for shareholders is not too promising. Straw Lake Beach also borrowed and issued stock for mill construction, and in this case the average value of ore treated in the mill has not completely stood up to the estimate of ore reserves. Apparently, the acid test of Wood Cadillac will come in the same way. If ore reserves stand up in milling operations, and future developments are favorable, the price of the company's stock could be quite low in face of these developments.

Uchi Bonds

As a holder of 1,000 shares of Uchi Gold Mines, I applied for $4,000 of bonds but only received $500. Am I right in thinking I was entitled to more?

Under the allotment of subscriptions for bonds of Uchi Gold Mine, shareholders were entitled to $100 in bonds for each 200 shares of stock held. Consequently, you received the same proportion of bonds as other subscribing shareholders. If the management had sold $4 of bonds for each share issued, the company would have received over $6 million an amount which would have far exceeded any financing requirement. As it is, it appears you have been able to make a profitable additional investment, particularly when you consider the bonus stock issued with the bond.

The Week in Oils

Pipe Line Seems Certain If Reserves Sufficient

Crerar Statement Suggests Immediate Construction is Unlikely—Drilling Continues to Confirm High Hopes For Industry's Future

From Our Own Correspondent

CALGARY.—Clear-cut difference of opinion among oil interests over construction of a pipe line to the head of the Great Lakes is now crystallizing.

On the one hand are those confident that Alberta has vast oil reserves and who feel that construction of a pipe line immediately is the best way to encourage their speedy development.

On the other hand are those who feel it would be wiser to prove up oil reserves first, develop other oil fields like Turner Valley and do no chicken-counting before the hatch.

Mistakes Unlikely

The decision seems to rest wholly with the British interests here investigating the situation. Rex Benson, head of the group which is studying the Canadian situation, is a nephew of Earl Grey, former Governor-General of Canada. His organization has had extensive experience in oil pipe-line construction, especially in Iraq. Such a firm is unlikely to make mistakes.

* * *

The statement of Hon. T. A. Crerar, Minister of Mines and Resources, that "there will be no hurried development" in the pipeline project; that "everything is in the exploratory stage" and that there is "wide disparity" in estimates of Turner Valley reserves would seem to pave the way for a delay in announcing a construction campaign in the very near future. One agent of the British interests looking at the proposition is reported on good authority to have declared a pipe line at present would be premature, though prospects for further oil development in Alberta looked very favorable.

* * *

Embarrassing Riches

Present output of Turner Valley producers is 27,000 barrels daily and the consensus among oil men is that present wells could not produce more than 30,000 barrels daily without serious damage to themselves and to the field as a whole.

On the basis of the 76 present wells producing 30,000 barrels daily, another 25 producers would increase this maximum effective daily output to 40,000 barrels daily.

Production of 40,000 barrels daily would be more than ample for the present western Canada market. There would be a surplus which would have to be disposed of elsewhere. Until a larger market can be opened up for this crude, this surplus provides "embarrassing riches."

* * *

New Yorkers Deal

Entry of prominent New York financial interests into the Alberta oil picture is encouraging. British Dominion has just closed a deal with the New Yorkers whereby they subscribe $95,000 for 800,000 shares of stock. British Dominion has extensive holdings on many Alberta structures: Turner Valley, Jumping Pound, Steveville, Kootenay and Moose Domes and is expected to announce a development programme shortly.

* * *

Low on the Flank

One of the most important developments of recent weeks has been the good performance of Anglo Canadian 5, now on test, and British Colonial, just assigned a daily quota of 765 barrels, fifth largest in the field.

Both these wells are located "low on the flank" of Turner Valley where many of the wiseacres have been saying there wouldn't be enough gas pressure to make them flow. That theory would now seem abundantly disproved and the prospects for other wells low on the flank would seem encouraging.

* * *

Devonian Drive

Turner Valley crude production comes from the Madison limestone. In the United States, prolific oil production is obtained from the Devonian lime, underlying the Madison lime and millions of years older. In some areas of the Alberta foothills the Devonian lime can be reached at shallow depth and, in places, it is even exposed.

Drilling to the Devonian lime in Turner Valley is considered impracticable in view of the great depth which would have to be penetrated to reach that formation. Several companies, however, are testing or about to test the Devonian limestone in other oil fields in Alberta.

Roxana Oils, Ltd., has a well down 800 feet in the Devonian lime on the Kootenay Dome, west of Calgary, and plans a thorough test of the formation. The company expects to drill another 1,500 feet, at least, into the Devonian. The California Company, subsidiary of Standard Oil of California, is known considering Devonian limestone tests in Alberta, as is Anglo-Canadian. The Devonian is being tested by Moose Dome interests on the Moose Dome structure. Another Devonian limestone test is the Ram River wildcat.

* * *

Hopeful

Despite failure to obtain commercial crude oil production at two wells drilled by Anglo-Canadian and Petroleum Investments, Ltd., in the Steveville field, 130 miles east of Calgary, keen interest continues in the field and heavy filing on leases is in progress in view of the immense area of Steveville—it is widely believed that the field is by no means to be condemned on a mere two trials. Considerable gas, containing naphtha, was struck at both wells and there were substantial crude oil showings. The California Company plans a test of the Devonian lime here. The Madison lime contains water.

Because of increased allowables, earnings for the Prairie Royalties, with one crude producer, increased more than $100 a day during June.

Frontier, also with one well, another subsidiary of Anglo-Canadian, showed a $7,000 increase in the value of the oil produced in June. Anglo-Canadian has sold crude, to the end of June, to the value of $2,581,902.

* * *

24 Wells Drilling

Three Turner Valley wells, Anglo-Canadian 4, Calwin Royalties, and Winalta Royalties, are drilling in the limestone-producing horizon and should be completed shortly.

Wells below the 7,000-foot level in Turner Valley and which should strike the limestone shortly are Anglo-Canadian 6, Extension 2, Royalite 39, Royalite 40. Wells between 6,000 and 7,000 feet are Royalite 41 and Royal Canadian 3. Between 3,000 and 6,000 feet are Valley Drilling 1, Okalta 7, Davies 3, Royalite 42 and Royalite 43. Above 3,000 feet are Brown 6, Davolite 1, Grewer 1, Home-Millarville 4, P. and H.-Alco, P. and H. 1, Sun Ray and Vantage.

There are thus 24 wells at various stages of development in the Turner Valley field, with one well just completed now on test.

Malartic Gold Fields Gets 13.2-ft. Width in Crosscut

Crosscutting north at the 250-ft. level of Malartic Gold Fields has exposed a width of 13.2 ft. of "excellent" ore, states J. P. Norrie. Feature of June month's work was ore disclosed in cross veins by drifting on all levels. On the 1st level, 72.5 ft. or ore on one vein averaged $12.60 across 4.7 ft., while 15 ft. of ore on another vein averaged $14.70 across 8.5 ft. On the 3rd level, 33 ft. averaged $22.75 across 12 ft.

Surface drilling indicated the 250 ft. west of the crosscut on all levels was low grade. The last 100.4 ft. of drifting on the 1st level averaged $9.45 per ton, with the last 52.8 ft. going west running $15.05 to the ton. On the 2nd level, 255.4 ft. has averaged $6.65, the last 170.2 ft. to the west running $9.45.

Asbestos Output to Date Is Above 1938 Level

From Our Own Correspondent

MONTREAL.—Production of asbestos in Canada in May was higher than in the previous month, but lower than in the same month last year. During the month Canadian producers shipped 29,412 tons of asbestos, as against 23,921 tons in April of this year and 31,007 tons in May, 1938.

During the first five months of the current fiscal year, 116,019 tons were shipped compared with 106,952 tons in the first five months of 1938.

Exports of asbestos from Canada in May amounted to 24,744 tons as compared with 16,058 tons in April. Approximately 71% of the May exports went to the United States, 13.9% to Great Britain, 4.4% to Japan and about 4.1% to Australia.

Montreal Stock Values Show Decline for June

From Our Own Correspondent

MONTREAL. — Securities traded on the Montreal Stock Exchange and the Montreal Curb Market had a total value of $6,686 millions as at June 30, 1939. This represents a decrease of $248 millions from the previous month and of $431 millions from the value shown at the end of June, 1938.

Of the 21 classifications, five were higher at the end of June than at the close of May while 16 were down. Groups to show gains included automobile accessories, banks and financial companies, miscellaneous industrials, retail trade, and textile and clothing.

Total of Housing Act Loans Nears $40 Millions Level

Cumulative total of National Housing Act loans swung toward the $40 millions mark early in July, it is shown by latest bulletin from the Department of Finance on operations under the Act. In June, total of approved loans reached $2,196,825 and brought aggregate of N. H. A. loans to date to $36,655,589.

If volume of loans continues at the level of the past two months—both May and June totals were over $2 millions—the cumulative figure should pass $40 millions by the end of August. Continued extension of N. H. A. lending facilities to smaller communities hitherto not served, and expansion of loans on a 90% mortgage basis for owner-occupied minimum cost houses, indicate that flow of loans will be well maintained.

Over 80% of the amount loaned in June went for construction of single-family or two family dwellings, and loans for duplexes numbered only eight, mostly in Quebec. Of the 547 loans approved for all types of loans, 110 or about 20% were made under the 90% mortgage clause for single family, owner-occupied dwellings costing $2,500 or less. Over 400 loans of this type have been made in 73 communities.

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Airline Offers Speedier Montreal-Toronto Service

From Our Own Correspondent

MONTREAL. — Additional daily service by Trans-Canada Air Lines went into effect this week to give special direct connections between Montreal, Ottawa and Toronto.

Including a 10-minute stop at Ottawa the elapsed time of the Montreal-Toronto flights will be two hours, 45 minutes. Passengers from Montreal will be able to spend most of the day in Toronto and be back home the same evening.

Leaving Montreal at 8 a.m. E.S.T., the planes will reach Ottawa at 8.50 a.m., Toronto at 10.45 a.m. Departure from Toronto in the evening will be at 5 p.m. E.S.T., with arrival at Ottawa at 6.45 and at Montreal at 7.45.

Round trip daily service the other way, from Toronto to Montreal and return, has been available since inauguration of the T.C.A. Montreal-Vancouver service. However, this connection, which is to be continued on its present basis, is not direct and is less rapid than the new Montreal-Toronto operation started this week.

A T.C.A. plane leaves Toronto at 7.50 a.m. daily to connect with the eastbound Vancouver - Montreal plane at North Bay, continuing on to reach Montreal at 11.50 a.m. Passengers on this trip wishing to return to Toronto the same day can use the regular westbound daily service from Montreal to Vancouver, leaving Montreal early in the evening. Connection is made at North Bay with a Toronto-bound plane.

Toronto Meeting to Survey Public Relations of Finance

Preliminary plans for the fall convention at Toronto of the Financial Advertisers Association (U.S. and Canada) are well under way, it is reported by G. Lorne Spry, advertising manager of the Canada Trust Co. of London, Ont., Canadian member of the Association board of directors. Executive committee of the Association, headed by President George O. Everett of Utica, N.Y., met recently at Chapel Hill, N.C., to launch active preparations for the convention, scheduled for Sept. 11-14 inclusive.

The business sessions at Toronto are being planned to cover a wide range of interests pertinent to the work of public relations officers of banks and other financial institutions. To a large extent, according to Mr. Spry, the convention will provide a "professional educational course" embracing various phases of this field. Mr. Spry is general convention chairman.

The work of the Association and its members is regarded primarily by its officers as discharging a function of educational public relations. Seeking to interpret and improve financial service as it relates to the needs of the people generally, the Association emphasizes education both of the public outside and those inside financial institutions. The Association also accepts responsibility for creating harmonious relations between financial institutions and the communities they serve.

One of the chief subjects to be discussed will be current efforts to improve banking service, and particularly the educational programme partly aimed at this objective. This year, nearly 700 bankers assembled at New Brunswick, N.J., for the fifth annual sessions of the Graduate School of Banking—a specialized educational system designed to disseminate best available information on modern banking and economics. Similar work is conducted through various state associations.

The programme of the convention, first to be held by the Association in Canada, will include staging of an exhibit of financial advertising, office equipment and operating systems. Special forums and study of financial selling problems are also planned.

Fish Plant Mooted For Newfoundland

Gov't Publishes Tentative Agreement With General Seafoods

Negotiations between the Commission of Government of Newfoundland and General Seafoods Corp., large United States concern, for the establishment of a fish processing plant in Newfoundland, are in their final stages.

Text of the proposed agreement has been published by the Commission of Government. Under a 22-year contract the Government is to provide $200,000 to build a processing and cold-storage plant on the southwest coast. The company is to repay the money advanced by the Government over a period of years, will be granted free entry for equipment and machinery, and will be permitted to operate trawlers in certain areas.

The projected plant is to have a capacity of freezing or otherwise processing 30 million pounds of fish a year.

The plant is to be all established on what is known as the treaty coast, so that General Seafoods can ship fish from this plant into the United States free of duty.

The agreement stipulates the company must buy from Newfoundland fishermen or dealers an amount of fish equal to that taken by its trawlers.

Sunray Pete Drilling

Preparations have been started for a resumption of work at Sunray Petroleum No. 1 well on the west flank of the Turner Valley. This well was put down 2,560 ft. in previous drilling operations and it is anticipated the producing limestone zone will now be reached at a depth of about 8,100 ft.

Cleaning of the hole is being undertaken following which casing will be run.

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HON. W. J. ASSELSTINE, Minister.

The Story Behind Kenricia Mines

Kenora Area Saw Its First Boom Fifty Years Ago

By RONALD A. McEACHERN
Mining Editor, The Financial Post

The start of production at Kenricia is a significant link with the very first days of gold mining in Ontario, for it was in this Kenora area that the first notable gold discovery in the province was made only a few years after Canada became a Dominion.

Very significant is the fact that this old area, long since virtually deserted as hopeless mining ground, is now coming back to life as mining enterprise has time to take a second and more thorough look; as engineering and metallurgy have more skill.

The new 100 ton mill, built by the president, Joseph Errington, in consultation with Ventures engineers, has been working in for about a fortnight. After a few days of running rock, the management is now putting through ore from the 200 and 350 levels and reports complete satisfaction with the operation.

Resumes Development

Development work was suspended during the mill building operations, but is now resumed. The main shaft has been deepened to 550 feet and lateral work on this level is to be started immediately.

What are the prospects for the operation on the basis of present information? Admittedly, the record of the area has not been a dazzling success. Admittedly, announced ore reserves are not vast: 30,000 tons of $18 to $20 ore, 10,000 tons of $10 ore and 10,000 tons of better than $7.50 ore, the whole amounting to 50,000 tons of $14 ore, or over 16 months' ore supply. Important is the fact that these reserves are only the amount developed above the 350 level. In a few months, reserves will be higher as ore from the 550 level is added. There are interesting possibilities for extension. While it is too early yet to get a definite figure on millheads the management believes it will work out at around $16 per ton.

Definitely in the property's favor are the experience and mine-making determination of the management, headed by Joseph Errington, with Major-General D. M. Hogarth, A. A. Barton, W. S. Morlock and C. W. Greenlands directors.

With about 1,400,000 shares now issued, the market at current levels values the property at around $350,000. Ore reserves in place are worth about $700,000. The management has made no public statement about estimated costs, but somewhere around $10 has been mentioned by a well-informed engineer as a rough guess for total overall costs with a 100-ton mill.

Success of the operation, therefore, depends almost entirely on future ore developments and on custom work.

Possibilities Wide

It is understood the Kenricia management hopes to do some custom work for other properties in the area. The mill is half a mile from the trans-Canada highway. There are many old mines in the camp, some of them with underground workings, many of them with tailings dumps which would appear to offer profits under modern retreatment. From information now available it appears that there is lots of gold in the area that merits milling, but still some doubt about enough of it being located in many places to justify mill building. The modern, centrally located Kenricia mill, then, seems to be offering the whole district a convenience which should be mutually profitable.

The first notable gold discovery in northwestern Ontario was made near Jackfish Lake in the winter of 1870-1, by a prospector looking for silver. A company was eventually formed and a dozen years later a 20-stamp mill was started. The operation was 70 miles from the railway—gold was $20—and the enterprise stumbled along unprofitably.

But this find brought many gold seekers to the general area and there was soon a major "rush." The tiny fur-trading post of Rat Portage (now Kenora) with a population of only a few hundred, swelled to over 3,000 in the decade following 1885. By 1899 at least a dozen mines were operating. Scores of companies were floated and Ontario enjoyed its first mining boom.

And Personalities

Many Canadians will remember the high hopes held out for some of these properties, Winnipeg Consolidated, Yum Yum, Mikado, Sirdar, Sultana, Regina, Cornucopia, Tycoon, Bullion, Tip Top, Foley, Bully Boy, Olive and many others.

Several interesting personalities, both of mining and other fields, took a hand in these developments which so excited the pioneers. Robert Flaherty, father of the famous photographer of Arctic motion pictures, was in northern Ontario, a scout for American steel interests. When the Burley mine continued to perform poorly, fearful shareholders coaxed Flaherty into operating it for a time. Unfortunately, the ore wasn't there.

Harry Guess, now vice-president of American Smelting and Refining Co. and president of Premier Gold Mining Co., made his first appearance in mining activity when, with his brother George Guess, these two youthful engineers operated the Keewatin Reduction Works, intended to treat ore from Yum Yum and other mines.

Sir Henry Clement Wilkinson, sent out by English financial interests to operate the Regina mine, was probably the most singular mine manager ever to cross the pages of Canadian mining history.

A retired army officer, Sir Henry went into the wilds of northern Ontario with more of the pomp and circumstance than he and his type traditionally enjoy on a safari through African jungles. Weeks were spent fixing up a palatial house at the mine. That no "face" might be lost among the natives of Canada, Sir Henry also ordered construction of an equally elegant boat-house. Both his abodes were furnished with grand pianos, Oriental rugs and other grandeurs.

Enjoying to the full his imperial reign in his little frontier kingdom, Sir Henry put his miners on parade before every shift. Coming off shift, they were again lined up, roared to attention and formally dismissed. Among his various social duties in his domain, he undertook the teaching of a Sunday School class.

The mine did not pay.

The Boom Breaks

But Ontario's gold mining future was not to arrive so soon. The fever of hopes and the welter of promotions soon died as mine after mine failed to show profits or exhausted its apparent resources. One by one, operations closed down until by 1903, the camp was fairly well deserted.

No one now denies that the camp did not get a fair start. The mining methods used were generally primitive and harum-scarum. Only exceptional properties would have paid profits in many cases. Management was in many cases absentee or ignorant of the principles of profitable mining. The old Regina mine, for instance, had a mill on it before shaft was down 50 ft. No levels had been established. One result was that it was almost impossible to keep ore ahead of the mill and without ore, bringing in revenue, funds were often lacking to do essential development work. In the rush to keep up with production, the operators followed the ore downward with the shaft, the result being that the shaft was crooked and practically useless.

High costs, the low price for gold, old milling methods which extracted only a fraction of the gold content of ore compared with the almost perfect performance of the modern mills —plus mining incapacity in many cases—all combined to make the Kenora field look like a failure. At that time, mining was hardly a respectable occupation for a sober member of the community and sceptics had long since decided that there was no gold worth digging in Ontario.

Shortly after the Kenora country got this preliminary "black eye," the Porcupine was discovered, then Kirkland Lake and all the rest. Mining men and speculative money have been kept pretty busy ever since.

Spotlight Swings Back

The gold mining spotlight was turned back to this part of Ontario with the Red Lake rush.

An important part of the credit for bringing life back to the camp must go to the Wendigo Gold Mines group, with H. G. Young and Henry Tudor its chief executives. The property got some attention in the early days of the camp, but was soon abandoned to await modern methods and higher gold value. An 85-ton mill was put in operation in May, 1936. Production has been increased and is now doing better than 100 tons daily. Grade recently has been better than $9.50.

Thayer Lindsley, Ventures and his group, also helped with renewing development in the area. Murdoch Mosher put his Straw Lake Beach mine into production with a 60-ton mill in November, 1938. Ore has recently been going over $13 per ton. Just across the Manitoba boundary is Sunbeam Kirkland, headed by John W. Roland. A 75-ton mill has been recommended and results of an extensive drill programme during the past year have been quite encouraging.

Orelia Mines, Ltd., over east in the Fort Frances division, has succeeded a bankrupt company with the same property and last year had a small test mill in operation several months. It proved too small for profitable treatment of tailings, and early this year the comapny contracted with Mineral Milling Ltd. for erection and operation of a flotation unit that can treat 150-tons of tailing daily. Some 75,000 tons of tailings, average grade reported at $5.83, are said available for treatment, plus ore dumps, plus ore of undetermined tonnage still in the mine.

Upper Seine in the Rainy River district has a 75-ton mill under construction, which is now understood to be virtually complete. W. N McClintock, mine manager, estimates a possible 150 tons operation ore grading $14 per ton from several ore sources. He estimates cost on the basis of 70 tons daily at not more than $6 per ton.

There is new hope for an old but vast area.

SHARP CONTRASTS

In the background is a shafthead on the old Howey Mine, where it appears that ore will be exhausted and the clean-up completed before very long. In the foreground is part of the open pit of the new Hasaga, the operation for which J. E. Hammell has such high hopes.

The Hasaga property is a series of claims in the Red Lake camp long held by McIntyre Porcupine Mines and was purchased by Mr. Hammell in 1937 for $110,000.

The Financial Post took these photographs on a recent visit to Red Lake. The upper photo shows the shaft house of the Hasaga property.

Broulan Drifts In High Grade

Drilling West of Shaft Gives More Ore Intersections

Drifting to the east in the 102E drift at Broulan Porcupine Gold Mines continues to open up good grade ore, President Bert W. Lang informs The Financial Post.

The drift is located 55 ft. north of the shaft at the first level and now shows 152 ft. of continuous ore averaging $28.25 per ton. This is based on muck samples of $34.66 a ton from face chip samples across an average width of over 6 ft.

Chip samples from the last four rounds have given values as follows: $4.90; $76.82; $104.75; and $17.85. Muck samples for the same rounds went $11.99, $40.77, $33.20 and $183.66. Assay results are not available for the last round but considerable visible gold was in evidence and the present face indicates good grade material continuing.

Drilling Gives Results

A diamond drill hole to the north from a point in 102W drift, 120 ft. west of the crosscut, cut a zone from 54 to 74 ft. averaging $17.94 for the entire width. Further drilling will be done to test for extensions of this zone. Diamond drilling to the south has intersected a zone with values as follows, taking holes in order starting with the one closest to the crosscut: 12.5 ft. averaging $8.61; 12 ft. averaging $9.95; 10 ft. averaging $54.26; and 12 ft. averaging $46.19. Results are not yet available on a possible extension of this zone farther west.

The 201E drift on the 2nd level is stated to be apparently north of the projected downward extension of the ore showing in 102E drift. Diamond drilling from this drift will test the ore zone north and south of the drive.

Cline Lake Finds Ore Below Hopes

Underground Work Fails to Check Drill Results Completely

While certain blocks of indicated ore at Cline Lake Gold Mines have exceeded expectations, the eastern ore body tests since last Januarv have tended to prove a tonnage and grade of ore below the estimate. So says a progress report covering the company's operations from March 19 to June 10, 1939.

An operating profit of $78,768 was realized for the 12 weeks ended June 10, 1939, which was slightly higher than the $75,254 for the previous period. Production showed a slight increase at $184,890 from 20,262 tons of ore, as against $182,364 from 18,748 tons in the previous 12 weeks.

Underground operations have been delayed from time to time by encountering numerous water seams, but to date, however, water inflows have been effectively controlled.

Wendigo Doubles Profit During 1939 Fiscal Year

Net profit of $69,323 was reported by Wendigo Gold Mines for the year ended April 30, 1939, more than double the profit of $33,015 for the previous fiscal year. Production for the 1939 fiscal period was $400,263 from 32,941 tons of ore, average of $12.15 per ton. This compares with $307,818 from 23,891 tons in 1938, for average of $12.85 per ton.

Practically all the year's development took place on the 650 and 800-ft. levels. At the 650-ft. level, 520 ft. of ore was opened up averaging mine grade across 7 ft.. At the 800-ft. level, only 325 ft. of ore was opened up with a width of about 5 ft. Drilling below the 800-ft. level has not been encouraging in the section, proving lean at the 800-ft. level. The shaft is now down 1,000 ft. on the way to 1,150 ft. for the opening of two new levels. Ore reserves were 40,300 tons as at Dec. 31, 1938, averaging $11 a ton while working capital amounted to $109,606.

Wood Cadillac has completed plans for its new 225-ton mill under the contract with Mill Builders, Ltd., and excavations for foundations were scheduled to commence on July 1. All machinery has been purchased and deliveries to the property were to begin July 10 with final deliveries not later than Aug. 31. Julius M. Cohen, consulting engineer, estimates the mill will be in operation early in October.

Insurance Exchange Bldg. Is Being Modernized

From Our Own Correspondent

MONTREAL.—Geo. A. Fuller Co. of Canada has been awarded the contract for alterations and improvements to the Insurance Exchange Building here, estimated to cost about $175,000.

Mining Concentrates

Bralorne Mines plans no large changes in either mine or mill for the immediate future, the company report for the three months ended June 30, 1939, discloses. The Empire shaft has been completed to the 14th level and sinking of the Crown shaft to the 18th level, 600 ft. below the 14th level, was started in June and completed to the 15th level by the end of the month.

Development between the 10th and 14th levels is continuing satisfactorily with all effort concentrated near the Empire and Crown shafts. Summit King Mines has been incorporated as a subsidiary to operate the Nevada property. Sufficient work has not been done yet to prepare plans for a mill. For the three months ended June 30, 1939, Bralorne production was 27,229 oz. gold from 45,959 tons of ore milled.

* * *

Beresford Lake—Opening of new ground on the Beresford Lake property has reportedly brought to light new possibilities apart from the already favorable underground showings. The new find lies 600 feet to the north of the present workings and so far as it has been traced is said to give excellent values over commercial widths. Underground workings are within 200 feet of the new surface showing and it is intended to diamond drill from the 200-foot level to explore the apparent new ore body as it enters low and swamp ground at each end. The discovery was made accidentally in swamping timber. Timber cleared off light scrub and moss and exposed the vein which when sampled is said to have run as high as 19 ounces to the ton.

* * *

Consolidated Mining & Smelting production in the second quarter of 1939 was considerably below that for the comparable period of 1938 in line with the company's policy of restricting output under the agreement for curtailment of lead production. Details on output are as follows:

Production
Three Months Ended June 30

	1939	1938
Lead, tons	45,919	51,328
Zinc, tons	34,306	40,641
Copper, tons	.....	434
Gold, oz.	8,583	14,871
Silver, oz.	2,514,029	2,333,062

* * *

Hard Rock Gold Mines recovered $188,280 in bullion in the three months ended June 30, 1939, including $4,252 from concentrates treated. An additional $116,967 was contained in concentrates and cyanide tailings stored for future treatment. During the period, 26,560 tons of ore were treated with mill heads averaging $11.90 a ton. It is anticipated enlargement of the roaster to 100 tons daily capacity will be completed next September.

* * *

Island Mountain Mines, reports lower June production due to a smaller tonnage of ore milled and a lower average grade of ore treated as shown below.

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939	3,849	128	14.05	54,082
May, 1939	3,966	128	14.94	59,243

* * *

Jerome Gold Mines in the Opeepeesway area will complete its shaft to 525 feet shortly, with lateral work on three levels to be well under way in August. General exploration in the district has not been as extensive as expected due to the difficulty of raising funds for development.

* * *

Jellicoe Mines (1939) had its shares called for trading on the Toronto Stock Exchange on July 18, 1939, replacing the old consolidated shares. Jellicoe Consolidated, White Horse Gold Mines and Greenbank Gold Mining Co., merged in the new company, plan to surrender their charters. Operations were resumed at the Jellicoe property on June 1, 1939, and ore is being taken out for shipment to the Magnet Consolidated mill, where it will be treated shortly. Development and diamond drilling are proceeding to locate the downward extension of ore.

* * *

Kootenay Belle Gold Mines has declared the regular quarterly dividend of 4 cents per share payable July 22, 1939, to shareholders of record July 15, but has omitted the extra of 1 cent paid up to and including last quarter. Production for the three months ended June 30, is estimated at $153,130 from 12,452 tons of ore, an average recovery of $12.30 per ton.

* * *

Kerr-Addison Gold Mines reports operating profit of $201,698 for three months ended June 30, 1939, before depreciation and taxes, against a similar figure of $195,435 for the preceding three months. Production for the 2nd quarter was $467,233 from 61,964 tons of ore milled, an average recovery of $7.54 per ton. This was slightly higher than the $448,247 from 60,027 tons the 1st quarter.

Drilling west in No. 1 adit has indicated ore for 170 ft. averaging an uncut grade of $10.29, cut grade $5.74, across an average width of 32.4 ft. A footwall ore body is indicated for 239 ft. averaging 25.58 uncut or $11.43 cut across 103 inches. East on the 500-ft. level, drift 511 shows a new ore shoot 175 ft. long averaging $13.35 uncut or $8.62 cut over drift width. The 314 drift ore shoot has been opened on the 500-ft. level for 206 ft. averaging $5.67 uncut or $4.72 cut across 72 inches. On the 700-ft. level an ore body is indicated for 510 ft. averaging $9.69 uncut or $6.03 cut across 39 ft., still open to the east.

* * *

Lebel Oro Mines produced $13,725 in June, from 2,945 tons of ore, average of $4.66 per ton. Output in May was $7,564 from 1,665 tons. In April production was $18,865 from 2,969 tons.

* * *

Moneta Porcupine Mines had an estimated net profit of $131,690, equal to 5.2 cents a share in the three months ended June 30, 1939, according to a statement accompanying the quarterly dividend of 3 cents. Second quarter production was $268,949 from 15,370 tons of ore milled, averaging $17.50 per ton.

* * *

Macassa Mines had estimated profit of $257,333, equal to 9.6 cents a share the three months ended June 30, 1939, as against $244,506 or 9.1 cents a share the previous quarter. Second quarter production was $577,289 from 37,124 tons of ore as against $564,882 from 36,319 tons the 1st quarter. Average recovery was $15.55 both quarters.

* * *

Powell Rouyn Gold Mines had operating profit of $125,631 for the three months ended June 30, 1939, after all charges except deferred development, depreciation and tax reserve. Gross smelter returns from 66,349 tons of ore amounted to $332,320. No. 2 shaft is down 1,296 ft. on way to 1,500 ft. and stations have been cut at 1,100 and 1,250 ft. As at June 30, 1939, current assets totalled $359,027 including cash of $56,241, accounts receivable of $273,590 and inventories $22,087. Current liabilities were $55,741, leaving $303,286 working capital.

* * *

Senore Gold Mines has appointed J. P. Norrie general manager and A. D. Hoagland as mine superintendent. Work is to be under the supervision of Mr. Norrie, also general manager of East Malartic Mines. A site for a shaft has been chosen near the western end of the ore zone and a mining plant will be installed when the overburden has been cleared.

* * *

Sigma Mines reports lower production for June both in total recovery and tonnage milled as shown below:

	Tons milled	Tons dly.	Recov. per ton	Total recov.
June, 1939 ..	20,316	674	7.75	157,513
May, 1939 ..	20,678	667	7.74	160,118

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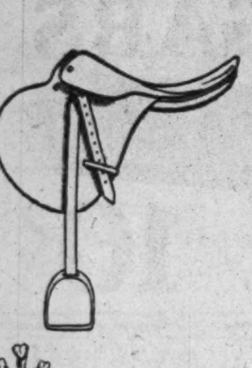

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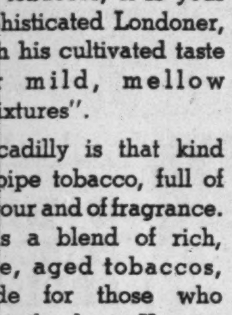

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Regulating Newsprint Production — 3

Great Lakes Fights Against Control

Relative Output Small But Company Holds Key Position in Prorating Dispute

A chain is only as strong as its weakest link and in official attempts at regulating newsprint production the weakest link naturally, is made up of those producers which, up to the present, have not fully co-operated with the proraters. Key company in this respect is generally admitted to be Great Lakes Paper.

In the following article, third of a series of four, R. W. Finlayson deals with the situation in general, and Great Lakes in particular. The Financial Post does not necessarily endorse all the views expressed by Mr. Finlayson, but will be glad to give space to informed discussion or comments on his articles. Mr. Finlayson's final article will deal with the effect of the prorating policy on demand for Canadian newsprint.

By R. W. FINLAYSON

In Canada it has been the exception rather than the rule for newsprint consumers to take an active interest in the affairs of their manufacturers. In England the great publishing firms have for years owned mills and the Rothermere interests have at present one mill in Canada and one in Newfoundland.

In France, on the other hand, the mills have acquired newspapers and thus stabilized their demand. On this continent the manufacturers have been forced to extend credit terms to some of the ailing Hearst papers who are now heavily indebted to members of the Canadian industry.

It is natural for the consumer to be interested in his supplier because newsprint is one of his most important production costs. The consumer desires a certain type of paper at certain times and at as reasonable a price as possible. Thus, in Canada, we have the Kapuskasing plant which manufactures paper for the New York Times, and the Thorold and Baie Comeau mills which supply the Chicago Tribune and the New York Daily News.

Benefits of Stabilization

Benefits of stabilized production which follow the introduction of such a mill are many and they are just as important to the inhabitants of the manufacturing towns as they are to the consumers. One has only to spend a few hours in such a model community as Kapuskasing or Baie Comeau to recognize the true advantages that can be gained.

Probably greatest benefits accrue to the laborers, not only in the mills, but in the bush, who can be assured of more or less permanent employment. The elimination of the transient bush worker and the ironing out of seasonal peaks in employment make possible not only a better standard of living, but a higher sense of social responsibility, in one of Canada's forgotten laboring classes. Long-term planning of advance forestry methods can also be employed and it is axiomatic that the officials of the publisher owned mills cooperate to the greatest degree with various provincial authorities. These manufacturers are in a true position to evaluate the problems facing the producer and the consumer, and in fact representatives of these units have in the past acted as liaison officers and have helped smooth over the difficulties existing between the Canadian manufacturer and the United States publisher.

Non-Prorating Mills

In general the publisher-owned mills are and always have been outside the effects of prorationing policies. Their plants have always operated at high rates of capacity dependent only on the demand from their respective newspapers. Thus they have acquired the resulting economies and have been able to deliver paper to their owners at a substantially lower price than other mills. Naturally the prevailing price level did not affect them, as the price they would charge would be their true delivered cost. In the early thirties it is believed that some of the other United States publishers may have bought paper from bankrupt Canadian producers at a price under the cost of the publisher-owned mills. But this was only a short-lived advantage and their competitors have envied their comfortable position.

Canadian manufacturers have also coveted the other advantages obtained by these mills; the steady demand; the absence of worry about price changes; and the benefits which can be given their laborers. The publisher-owned mills have been a thorn in the side of the other Canadian manufacturers as they have, at the same time, filled the demands of prospective customers and have aggravated the problems which result from excess capacity. In this regard the situation surrounding the erection of the Baie Comeau mill has generally been misunderstood.

No More Publisher Mills

The Patterson-McCormick interests had spent millions over 10 years ago on acquiring and surveying the limits and in developing hydro-electric power for this plant. The comparatively recent erection of the mill was only completing an old plan agreed to many years ago by the provincial authorities. However, it is doubtful if new publisher-owned mills will be erected as provincial officers have several times reiterated their objection to increasing the burdens of excess newsprint capacity.

As stated above the obvious advantages of high capacity operations enjoyed by the publisher mills have been enviously eyed by many Canadian producers. Many inequalities have resulted from this development. Perhaps the most outstanding example is at Thorold, Ontario, where the Ontario Paper Company's plant operated at close to capacity during the first six months of 1939, while the neighboring Beaver Wood Fibre Mill only had about a 55% operation during the same period. Naturally a mill bound by the prorationing policy would find it tempting to disregard the rather long-term benefits which the policy has brought to the whole Canadian industry. As a result these mills find it hard not to steer an individualistic course so as to acquire greater tonnage.

Great Lakes Paper

The Great Lakes Paper Company has been one unit which has led the way in this regard and it has been implied many times that this plant should be really regarded as a publisher-owned mill. But this comparison is not true. The publishers which have temporarily been given shares in this company have not paid one cent for their holdings and cannot possibly use this argument although they have other and stronger points to defend their action.

As stated in the previous article, about 80% of the Canadian industry's capacity prorates. Of the remaining 20% perhaps 10% is occupied by the publisher mills and another 5% may be beyond the bounds of certain provincial jurisdiction. In Ontario the Minnesota & Ontario Company and the Great Lakes Company occupy the other 5% of the Canadian capacity. The former has until recently co-operated to the fullest degree with the provincial authorities, but this company is in a difficult position while under the control of the officers of the United States courts during the process of reorganization.

In Key Position

Due to space limitation and to the importance of the subject, the case for the non-prorating members of the Canadian industry will be discussed in connection with the situation surrounding the Great Lakes Company. This unit, although it has only slightly over 2% of the Canadian industry's capacity, has brought the prorationing issue in front of the public and the future of the policy will in the main depend on the ultimate disposal of this problem.

The Great Lakes Paper Company was reorganized and the Supreme Court of Ontario gave its approval to the sale of the assets in 1936. The Ontario Government at the time withdrew certain objections it had taken to the mode of reorganization. The basis of the plan was the guarantee of some 25 United States publishers to contract for certain tonnage for a minimum period of 10 years.

Warned by Government

As a consideration for these contracts the publishers were allotted certain preference shares which were to be held in trust during this period and on which dividends could not be paid until the price of newsprint reached a certain figure. This company subsequently operated at above the industry level in fulfilling these contracts and although no dividends were paid, was warned by the Ontario Government that it must prorate or else it would be penalized under the terms of the Forest Resources Regulation Act, which was passed in 1936. This Act authorized the provincial officers to make such regulations as may be deemed necessary for the more efficient and economical operation of the forest product industries. They may increase the stumpage charges of any company if such company is carrying on business in a manner detrimental to public interests. Any company violating provisions of the Act or its regulations is subject to a penalty of $1,000 per day.

Above Average Production

It is understood that the Great Lakes Company operated at about 65% of capacity in the first half of 1939 as contrasted with the industry's level of about 55%. The percentage of the two large shorts, Abitibi and Consolidated in this period was somewhat over 50. As a result of the above situation the Ontario Government notified the Great Lakes Company that it must prorate or incur penalties. It is understood that the company has continued to run over the industry level after the recent notification and the next step remains to be taken by the provincial authorities. If they pass the required regulations and assess the penalties, the company can take the case to the courts and perhaps dispute the validity of the Act. However, a technical legal victory would be a hollow one indeed, as the provincial officers would still have the upper hand and could make the successful operation of the company impossible, if they so desired.

If space permitted an examination could and perhaps should be made into the facts, rumors and gossip reports surrounding the Great Lakes controversy; the peculiar situation of the industry when the company was reorganized; the alleged promise of the company to co-operate in the Government's policies and the surrender of the disputed Milwaukee tonnage. However, the case now rests on the facts previously set out.

Bondholders Position

These matters alone, without any supporting rumors, give the Great Lakes bondholders a strong case. These holders surrendered about $4 millions of bonds and about $3 millions of arrears of interest on the faith of the reorganization plan approved by the courts and accepted by the province. Now the prorating policy of these authorities will temporarily force the company to limit production under the contracts which were included in the plan which was approved by the courts following the withdrawal of provincial objections. There have been suggestions that if this company does not fulfill its contracts, it will be subject to legal suits from the publishers or its own bondholders. Then they dispute the effect of the whole policy.

The main problem facing the Canadian newsprint industry is to increase the demand for its products, and to retard the entrance of other producers into Canadian markets. This can best be done by increasing the goodwill for Canadian products among the United States consumers. The Great Lakes plan, they suggest, was designed to secure just this type of co-operation and the policies of the province have promoted the growth of the bad features which should be eliminated.

Other Side of Argument

The other side of the argument has been treated in the previous articles, but perhaps it should be summarized here. In the Great Lakes matter leaving aside any implied promise of that company to co-operate, the provincial authorities can, if they wish, change their minds and frequently do so, as the Beauharnois bondholders and some people who have been in disagreement with the Succession Duties Department can well testify. If these officials enact that it is in the public interests that the prorationing policy or any steps which can be used to enforce it should be carried out, any previous agreement is thereby nullified. The province can do anything that is within its jurisdiction and even if this Act is ultra vires one would expect that the setting of stumpage fees is certainly a duty and a provincial right. A legal right supersedes any moral issue and any individual or company, though they may not agree with the provincial authorities, have as their only right recourse to the courts or the ballot box.

Great Lakes argument has much weight, but almost any Canadian newsprint company could present plausible points for preferred treatment. Some of the Quebec companies have also been forced to surrender tonnage. This has adversely affected their rights and has hindered their operations. In addition several prorating companies have also had to go through severe reorganizations and the equity of their bondholders has been substantially reduced.

Position of Non-proraters

The position of the non-prorating mills is really that the prorationing policy, while it may be good for the industry, should not hinder their operations. But do they want to face the alternative? Would they be farther ahead if the gates were taken down, and the old battle for contracts began anew? Certainly if this came to pass, Great Lakes would not reap the benefits, and would end up running at a lower level and receiving a much lower price for its product.

It is quite conceivable that if the Provincial Governments decide not to enforce the prorating policy the price of newsprint paper might fall from $50 to $45. It is doubtful if any long-term results would advantageously affect the situation. The Scandinavians would still undercut the lower price and the southern pine newsprint experiments would still go on. It is extremely doubtful if the United States demand would be increased by as much as 5%. Looking back it is perhaps hard to see any real benefits that accrued from the chaos which existed in the newsprint industry in the early thirties.

These wider implications can only be mentioned here. Undoubtedly, the Great Lakes controversy will adversely influence the goodwill and co-operation which have been fostered with the United States consumers. On the other hand, the prorationing policy itself can have little effect on the demand for Canadian newsprint or on the further expansion in other fields except through its influence on the price policy. This subject will be further treated in the concluding article which will be devoted to the reaction of the prorationing policy on the value and outlook for newsprint securities.

Note.—The four articles in this series are being reprinted by the author. Orders, accompanied by remittance at the rate of 50 cents per copy, will be received by The Financial Post and turned over to Mr. Finlayson.

Newsprint Scoreboard

(January to June)

CANADA

	Tons 1939	1938
Production	1,341,064	1,259,871
Shipments	1,306,338	1,130,499
Canada	92,399	75,142
United States	1,008,996	822,278
Overseas	204,943	233,079
NEWFOUNDLAND		
Production	138,114	131,852
Shipments	106,454	98,299
Newfoundland	307	280
United States	38,783	22,414
Overseas	67,364	75,605
UNITED STATES		
Production	471,888	393,954
Shipments	473,043	380,062
United States	473,043	380,062

NORTH AMERICAN MILL STOCKS
(As at June 30)

	1939	1938
Canada	196,164	182,226
United States	17,428	28,997
Newfoundland	78,403	76,220
Total all mills	291,995	287,443

KEY FIGURES ON AMERICAN MARKET
(Five months ended May 31)

	1939	1938
Apparent consumption	1,447,282	1,446,691
Source of supply—		
United States	388,104	313,745
Canada	835,236	681,223
Europe	134,818	98,763
Newfoundland	32,490	16,273
From stock	56,634	336,687
(In million lines)		
United States advertising linage*	509.3	507.8

*52 cities, excluding New York.

Publisher's Stock of Newsprint
(As of May 31)

1939—333,664 tons 1938—472,271 tons

North American Newsprint Reserve†
(As of May 31)

1939—619,027 tons 1938—767,220 tons

†Includes mill and apparent supply of all American publishers.

Sources: Newsprint Association of Canada; News Print Service Bureau; American Publishers Association; Media Records, Inc.; etc.

Newsprint Firms Sued by U. S. Govt.

From Our Own Correspondent

MONTREAL.—A United States Federal grand jury in San Francisco has returned an indictment against seven companies and 15 individuals, charging violation of the anti-trust laws in connection with the manufacture and distribution of newsprint paper on the Pacific Coast.

The companies indicated were: Crown Zellerbach Corp., San Francisco, and its subsidiaries, Zellerbach Paper Co., San Francisco and the Pacific Mills Ltd., Vancouver; The Powell River Co. Ltd., Vancouver; Powell River Sales Co. Ltd., Vancouver; Hawley Pulp & Paper Co., Portland; and the Inland Empire Paper Co., Millwood, Wash.

Coast Rayon Mill Helps B. C. Pulp

Vancouver Rayon Silk Provides Outlet for Sulphite Pulp

From Our Own Correspondent

MONTREAL.—An important new outlet for the high-grade pulp of B. C. Pulp & Paper Co. is indicated in the announcement of the establishment of the Vancouver Rayon Silks Ltd. in North Vancouver.

Paul Zuest, representing European interests behind the new venture, is authority for the statement that approximately $3 millions will be invested in the enterprise.

Work has been started on a 32-acre site acquired on the North Vancouver waterfront, across Burrard Inlet from Vancouver, and a $2.5 millions mill will be completed by next year. When finished the plant will employ 1,000 persons and depend upon B. C. Pulp's Woodfibre and Port Alice plants for rayon sulphite pulp.

Establishment of the new rayon plant is of first rank importance to B. C. Pulp, which has only been able to operate its two mills intermittently for some months past. Previously the company had established a large market for its pulp in Japan, but restrictions on imports into that country and the difficulty experienced by Japanese importers in securing necessary exchange credits practically closed off the market to B. C. Pulp.

So far there is no indication of the capacity of the Vancouver Rayon Silks plant or the amount of rayon pulp which it will need. However, prospects are, in view of the capital investment, that the demands of this company will provide an important backlog of business for B. C. Pulp.

U. S. Paperboard Output Maintains Higher Level

From Our Own Correspondent

MONTREAL. — Production of paperboard in the United States in May amounted to 375,772 short tons, or 64.2% of the rated capacity of the mills reporting. This compares with 286,574 short tons in May last year which was equivalent to 57.4% of rated capacity.

Production for the first five months of this year amounted to 1,832,529 tons as against 1,458,568 short tons in the same period of 1938.

Great Lakes Power Co. Revenue Down in 5 Mos.

Revenue of Great Lakes Power Co. in the five months period ended May 31, 1939, declined moderately from the corresponding period of the preceding year. Net earnings amounted to $226,585, against $235,706 in the corresponding period in 1937. After deduction of bond interest and depreciation, balance available for other interest in the 1939 period was $91,328, contrasted with $115,490.

Earnings Statement
Five Months Ended May 31

	1939 $	1938 $
Operating revenue	322,318	332,531
Less: Oper. expenses	63,507	58,586
Taxes	32,516	38,693
Oper. income	226,295	235,252
Add: Other income	290	454
Net earnings	226,585	235,706
Less: Depreciation	60,000	45,078
1st mtge bd. int.	75,257	73,138
Bal. avail. for other int.	91,328	115,490
Times 1st mtge. bd. int. earn.*	2.21	2.54

*After all charges including taxes and depreciation.

B. C. Widens Paper Outlets

Pacific Mills Develop New Markets to Replace Orient

From Our Own Correspondent

MONTREAL.—Prospects of developing other markets for B. C. pulp and paper products to take the place of the Oriental market are considered promising, according to Harry C. Pim, sales manager for Pacific Mills Ltd.

"With the Orient virtually closed to paper and paper specialties because of war conditions, it was necessary to look to other parts of the world for markets," said Mr. Pim. Japan is now buying pulp, presumably for rayon manufacture, but is buying no newsprint. China's purchases have been negligible owing to blockades and other difficulties. Normally the Far East is one of the biggest markets for Pacific Coast pulp and paper."

Australia is Active

The Australian market for paper products is active, reports Mr. Pim, and good business is being done there. New Zealand's recently imposed import restrictions have curbed sales in that territory and Mr. Pim is of the opinion that the kraft sales there this year from B. C. will be only about 25% of last year's quota. Once New Zealand has overcome her present credit difficulties, however, the Dominion should be back in the market.

Several South American countries, notably Ecuador, Colombia and Peru, are now buying B. C. made kraft and other papers.

South Africa Promising

South Africa is one of the comparatively new markets for Canadian paper products and may become an important outlet for mills operating on the coast, says Mr. Pim. "South Africans are really interested in the products of British Columbia and, with a dependable steamship service, they should be a significant factor in future export sales."

Pacific Mills is now shipping kraft paper to the Cape and expects to sell fruit wrap there in considerable volume, just as it has done in the past in Australia.

Southland Paper Orders Fast Unit

From Our Own Correspondent

MONTREAL. — Southland Paper Mills, newsprint plant at Lufkin, Texas, is beginning to get shipments of equipment, including part of the paper-making machine being built by Pusey & Jones Corp. of Wilmington, Del.

This machine, according to Paper Trade Journal, will have a number of innovations, including a new type of Fourdrinier frame. It will be able to turn out a sheet 14 ft. wide at a rate of close to 1,350 ft. a minute, making it one of the fastest machines ever built for newsprint production. It will be operated in conjunction with other equipment at the mill on the basis of about 50,000 tons a year.

Pusey & Jones Co. expect to complete shipment of the machine by the close of the summer. The Lufkin plant is scheduled to be ready for regular production next February.

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